



SAN DIEGO LESBIAN GAY BISEXUAL TRANSGENDER PRIDE, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2023

Duffy Kruspodin, LLP

Certified Public Accountants & Advisors

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INDEPENDENT AUDITORS' REPORT

Board of Directors
San Diego Lesbian Gay Bisexual Transgender Pride, Inc.
San Diego, California

Opinion

We have audited the financial statements of San Diego Lesbian Gay Bisexual Transgender Pride, Inc. (the Organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2023 and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, 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 Organization's ability to continue as a going concern for one year after the date that the financial statements are issued or, when applicable, one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in

accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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.

A handwritten signature in black ink that reads "Duffy Kruspodin, LLP". The signature is written in a cursive, flowing style.

Duffy Kruspodin, LLP
La Jolla, California
June 17, 2024

SAN DIEGO LESBIAN GAY BISEXUAL TRANSGENDER PRIDE, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

ASSETS

Cash	\$ 2,597,587
Investments	192,020
Contributions receivable	255,826
Accounts receivable, net	81,858
Deposits and prepaid expenses	160,578
Property and equipment, net	<u>967,971</u>
Total assets	<u>\$ 4,255,840</u>

LIABILITIES AND NET ASSETS

Liabilities	
Accounts payable	\$ 27,050
Accrued expenses	206,785
Deferred revenue	39,275
Mortgage payable	<u>341,382</u>
Total liabilities	614,492
Net assets	
Without donor restrictions	3,358,801
With donor restrictions	<u>282,547</u>
Total net assets	<u>3,641,348</u>
Total liabilities and net assets	<u>\$ 4,255,840</u>

See accompanying notes to the financial statements.

SAN DIEGO LESBIAN GAY BISEXUAL TRANSGENDER PRIDE, INC.

**STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and support			
Revenue			
Ticket sales	\$ 1,231,268	\$ -	\$ 1,231,268
Festival booths	341,441	-	341,441
Beverage sales	728,765	-	728,765
Parade	165,445	-	165,445
Service fees	24,306	-	24,306
Merchandise	10,674	-	10,674
Investment income	8,941	-	8,941
Total revenue	<u>2,510,840</u>	<u>-</u>	<u>2,510,840</u>
Public support			
Sponsorship	1,116,750	-	1,116,750
Contributions and grants	974,508	23,328	997,836
In-kind contributions	982,190	-	982,190
CARES employee retention credit	149,613	-	149,613
Community partnerships	2,175	-	2,175
Net assets released from restrictions	77,752	(77,752)	-
Total public support	<u>3,302,988</u>	<u>(54,424)</u>	<u>3,248,564</u>
Total revenue and support	<u>5,813,828</u>	<u>(54,424)</u>	<u>5,759,404</u>
Expenses			
Program services	4,861,872	-	4,861,872
Management and general	914,679	-	914,679
Fundraising	103,305	-	103,305
Total expenses	<u>5,879,856</u>	<u>-</u>	<u>5,879,856</u>
Change in net assets from operations	(66,028)	(54,424)	(120,452)
Net assets, beginning	<u>3,424,829</u>	<u>336,971</u>	<u>3,761,800</u>
Net assets, ending	<u>\$ 3,358,801</u>	<u>\$ 282,547</u>	<u>\$ 3,641,348</u>

See accompanying notes to the financial statements.

SAN DIEGO LESBIAN GAY BISEXUAL TRANSGENDER PRIDE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

	Program Services					
	Pride Celebration	Engagement & Other Programs	Total Program Services	Management and General	Fundraising	Total Expenses
Payroll and related expenses						
Salaries	\$ 513,606	\$ 549,648	\$ 1,063,254	\$ 292,845	\$ 85,601	\$ 1,441,701
Payroll taxes	43,413	46,459	89,872	24,753	7,235	121,860
Employee benefits	39,858	42,657	82,515	22,727	6,644	111,886
Subtotal	596,878	638,764	1,235,641	340,325	99,480	1,675,446
Operating expenses						
In-kind donation	982,190	-	982,190	-	-	982,190
Entertainment - performers and equipment	633,091	49,167	682,258	-	-	682,258
Supplies and equipment for venture	402,907	67,621	470,528	-	-	470,528
Other program expenses	228,423	147,268	375,691	-	-	375,691
Beverages COGS and related expenses	225,126	-	225,126	-	-	225,126
Occupancy	-	-	-	212,378	-	212,378
Power and trash	200,821	-	200,821	-	-	200,821
Professional services	-	-	-	196,559	-	196,559
Grants and allocations	-	196,485	196,485	-	-	196,485
City and state services and permits	133,327	1,233	134,560	-	-	134,560
Security	130,645	-	130,645	-	-	130,645
Transportation and parking	95,364	-	95,364	-	-	95,364
Volunteer expenses	82,953	3,908	86,861	-	-	86,861
Insurance	20,599	3,923	24,523	46,260	-	70,783
Depreciation expense	-	-	-	38,697	-	38,697
Travel and transportation	40	9	49	26,251	-	26,300
Community outreach	-	21,130	21,130	3,283	-	24,413
Membership and dues	-	-	-	24,400	-	24,400
Interest expense	-	-	-	15,189	-	15,189
Bad debt	-	-	-	11,337	-	11,337
Miscellaneous	-	-	-	-	3,825	3,825
Total operating expenses	3,135,486	490,745	3,626,231	574,354	3,825	4,204,410
Total expenses	\$ 3,732,363	\$ 1,129,509	\$ 4,861,872	\$ 914,679	\$ 103,305	\$ 5,879,856

See accompanying notes to the financials statements.

SAN DIEGO LESBIAN, BISEXUAL, TRANSGENDER PRIDE, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023

Cash Flows From Operating Activities

Change in net assets	\$ (120,452)
Adjustments to reconcile change in net assets to cash used in operating activities:	
Depreciation	38,697
Unrealized gain on investments	(6,260)
Bad debt expense	(11,337)
(Increase) decrease in operating assets:	
Contributions receivable	(115,684)
Accounts receivable, net	8,636
Deposits and prepaid expenses	(113,820)
Increase (decrease) in operating liabilities:	
Accounts payable	(47,009)
Accrued expenses	116,265
Deferred revenue	(28,657)
Net cash used in operating activities	<u>(279,621)</u>

Cash Flow From Financing Activities

Payments on mortgage payable	<u>(43,668)</u>
Cash used in financing activities	<u>(43,668)</u>

Net change in cash (323,289)

Beginning of the year	<u>2,920,876</u>
End of the year	<u>\$ 2,597,587</u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash payments for:

Interest	<u>\$ 15,189</u>
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See accompanying notes to the financial statements.

SAN DIEGO LESBIAN GAY BISEXUAL TRANSGENDER PRIDE, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - NATURE OF OPERATIONS

San Diego Lesbian Gay Bisexual Transgender Pride, Inc. (Organization or Pride) is a California nonprofit corporation.

Pride coordinates and presents annual Pride celebration events including a parade, festival, and rally in San Diego, California, as well as year-round programming and events. The rally promotes civil rights for the Lesbian, Gay, Bisexual, Transgender, Queer (LGBTQ) community while the parade and festival are comprised of educational, arts, cultural, and social events highlighting support for the LGBTQ community, promoting the exchange of ideas, and providing community members with direct access to services and care.

In addition to the annual festivities - a full week that has grown from a small grassroots march for equal rights into the largest civic event in the region - Pride has donated over \$3 million dollars to LGBTQ-serving nonprofits through the Community Grant Program, and runs multiple year-round education, advocacy, arts and volunteer leadership programs. Pride's programs focus on LGBTQ youth, communities of color, people with disabilities, lesbians, and military members and veterans. Over 30 volunteer-led events benefiting LGBTQ San Diegans take place throughout of the year including: the annual Youth Leadership Academy, Pride Power Summit, She Fest, the QAPIMEDA Coalition, The Latinx Coalition, the Disabled LGBTQ+ Coalition, DevOUT, the Pride Youth Marching band, trainings, and the Volunteer Leadership program.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The financial statements of the Organization have been prepared on the accrual basis of accounting to conform to generally accepted accounting principles in the United States of America (GAAP) as applicable to nonprofit entities. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein have been classified and are reported as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of Pride. These net assets may be used at the discretion of Pride's management and the board of directors.

Net Assets With Donor Restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Pride or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, or the stipulated time has elapsed, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions on the statements of activities.

SAN DIEGO LESBIAN GAY BISEXUAL TRANSGENDER PRIDE, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Use of Estimates - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that may affect amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Accounts Receivable, Net and Credit Losses - Accounts receivable related to program revenue are presented in the statement of financial position, net of allowance for doubtful accounts. The allowance for doubtful accounts is estimated based on historical experience and management's and consideration of current and future situations for each analysis of specific accounts. The allowance for doubtful accounts was \$5,000 as of December 31, 2023.

Contributions Receivable - 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 recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met. As of December 31, 2023, there are no conditional promises receivables.

Investments - Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statement of financial position, and changes in fair value are reported as investment return in the statement of activities. Interest is recorded when earned.

Investments at fair value as of December 31, 2023 consist of certificates of deposits, which are considered Level 2 assets under the fair value hierarchy.

Fair Value of Financial Instruments - Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The Organization groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

These levels are:

- Level 1** Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
- Level 2** Inputs to the valuation methodology included:
- Quoted prices for similar assets or liabilities in active markets.
 - Quoted prices for identical or similar assets or liabilities in inactive markets.
 - Inputs other than quoted prices that are observable for the asset or liability.

SAN DIEGO LESBIAN GAY BISEXUAL TRANSGENDER PRIDE, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Property and Equipment - Property and equipment purchased are recorded at cost, or, if donated, at their fair market value at the date of donation. The Organization capitalizes property purchases of \$10,000 or more. Maintenance and repairs are charged to operations as incurred. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Building and Building Improvements	31 to 40 Years
Furniture and Equipment	3 to 10 Years

Impairment of Long-Lived Assets - The Organization evaluates long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the estimated future cash flows (undiscounted and without interest charges), including cash flow from salvage, and from the use of an asset are less than the carrying value, a write-down would be recorded to reduce the related asset to its estimated fair value. No such write-downs have occurred as of December 31, 2023.

Revenue Recognition - Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Gains and losses on other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law.

Program Revenue - Ticket revenue, festival booths and parade revenues are recognized over the period of the related performance, festival and parade. Payments for ticket sales for related events that occur subsequent to year-end are shown as deferred revenue. Beverage sales and merchandise revenues are recognized at a point in time when the sales occurred.

Contributions - Contributions are recognized when the donor makes a promise to give to Pride that is in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Contributions to be received in future periods are discounted at an appropriate discount rate. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

SAN DIEGO LESBIAN GAY BISEXUAL TRANSGENDER PRIDE, INC.
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DECEMBER 31, 2023

Conditional promises, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. At December 31, 2023, there were no conditional promises.

In-Kind Donations - Pride's policy is to recognize in-kind contributions when donated as revenue at fair value in the period such contributions are made. Contributed professional services are recognized if the services create or enhance nonfinancial assets or require specialized skills and are provided by individuals possessing those skills. During the year ended December 31, 2023, the Organization received sponsorship packages, including goods or services, which are recorded at fair value. The Organization recognized the in-kind contribution revenue in the period in which the contribution is received.

Several volunteers have made significant contributions of their time in furtherance of Pride's mission. These services were not reflected in the accompanying statements of activities because they do not meet the necessary criteria for recognition under GAAP.

Advertising - The Organization expenses advertising costs as incurred. Advertising expenses were \$27,944 for the year ended December 31, 2023.

Leases - The Organization recognizes right-of use assets and lease liabilities for leases with terms greater than 12 months or leases that contain a purchase option that is reasonably certain to be exercised. Leases are classified as finance or operating leases. This classification determines whether lease expense is recognized based on an effective interest method or on a straight-line method over the term of the lease. The Organization elected the practical expedient to use the risk-free rate as the discount rate for all leases. The Organization has no material finance or operating leases as of December 31, 2023.

Functional Allocation of Expenses - The statement of functional expenses present expenses by function and natural classification. The Organization allocates its expenses on a functional basis among its various programs and supporting services. Expenditures which can be identified with a specific program or support services are allocated directly, according to their natural expenditure classification. Costs that are common to several functions are allocated among the program and supporting services on the basis of estimates of time and effort, and employee headcount.

Income Taxes - The Organization is a tax-exempt entity under Sections 501(c)(3) of the Internal Revenue Code and 23701(d) of the California Revenue and Taxation Code and has no unrelated business income for the year ended December 31, 2023. Accordingly, no provision or liability for federal or state income taxes has been included in the accompanying financial statements.

The Organization follows GAAP in accounting for uncertainty in income taxes. Under GAAP, an entity must recognize the tax benefit associated with a tax position taken for the tax return purposes when it is more likely than not that the position will be sustained. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements for the year ended December 31, 2023.

Pride's tax returns may be subject to examination generally for three years after they are filed for federal and four years for the State of California.

SAN DIEGO LESBIAN GAY BISEXUAL TRANSGENDER PRIDE, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Recently Adopted Accounting Pronouncements - In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) 2016-13, Measurement of Credit Losses on Financial Instruments, (Topic 326). This pronouncement, along with subsequent ASUs issued to clarify certain provisions of ASU 2016-13, changes in the impairment model for most financial assets and requires the use of an “expected loss” model for instruments measured at amortized cost. Under this model, entities are required to estimate the lifetime expected credit loss on such instruments and record an allowance to offset the amortized cost basis of the financial asset, resulting in a net presentation of the amount expected to be collected on the financial asset. In developing the estimate for lifetime expected credit loss, entities must incorporate historical experience, current conditions, and reasonable and supportable forecasts. Financial assets held by the Organization that are subject to the guidance in FASB ASC 326 were accounts receivable related to program revenue. This pronouncement for nonpublic entities is effective for fiscal years beginning after December 15, 2022. The Organization adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures only.

NOTE 3 - LIQUIDITY AND AVAILABILITY

The Organization prepares a budget each year based on prior year transactions and expected future transactions and regularly monitors the availability of resources required to meet its operating needs and other contractual commitments. The Organization considers contributions without donor restrictions, and contributions with donor restrictions for use in current programs which are ongoing, major, and central to its annual operations, to be available to meet cash needs for general expenditures. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing programs, as well as the conduct of services undertaken to support those activities, to be general expenditures.

Financial assets available for general expenditure within one year are comprised of the following at December 31, 2023:

Cash	\$ 2,597,587
Investments	192,020
Contributions receivable, net	255,826
Accounts receivable, net	<u>81,858</u>
Total financial assets	3,127,291
Less: Net assets with donor restrictions	<u>(282,547)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 2,844,744</u></u>

The Organization prepares a budget each year based on prior year transactions and expected future transactions, and meet once a month to review the Organization’s liquidity position.

SAN DIEGO LESBIAN GAY BISEXUAL TRANSGENDER PRIDE, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2023:

Building	\$ 403,461
Furniture and equipment	131,218
Building improvements	<u>67,600</u>
	602,279
Less: accumulated depreciation	<u>(284,308)</u>
	317,971
Land	<u>650,000</u>
Property and equipment, net	<u><u>\$ 967,971</u></u>

Total depreciation expense was \$38,697 for the year ended December 31, 2023.

NOTE 5 - MORTGAGE PAYABLE

In September 2009, the Organization purchased a building and land in the amount of \$1,030,000 to be used as its primary location. The Organization made a cash down payment of \$275,000 and entered into a mortgage payable arrangement with a Bank for \$755,000. In December 2014, this mortgage loan was refinanced in the amount of \$696,112. The terms of the current mortgage payable is interest at 4.72% per annum, monthly payments of \$5,429 until December 15, 2029. The mortgage loan is secured by the property.

As of December 31, 2023, future minimum payments of long-term debt are as follows:

Years ending December 31,	
2024	\$ 50,329
2025	52,756
2026	55,301
2027	57,968
2028	60,839
Thereafter	<u>64,189</u>
	<u><u>\$ 341,382</u></u>

Total interest expense was \$15,189 for the year ended December 31, 2023.

SAN DIEGO LESBIAN GAY BISEXUAL TRANSGENDER PRIDE, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31, 2023:

	January 1, 2023	Additions	Release	December 31, 2023
Youth	\$ 181,975	\$ -	\$ (30,428)	\$ 151,546
SheFest	35,555	-	-	35,555
Trans Scholarship	33,813	-	(1,548)	32,265
LATINX	16,371	-	-	16,371
Accessibility	13,283	-	-	13,283
Art of Pride	19,028	-	(6,660)	12,368
QAPIMEDA	11,567	-	-	11,567
Capital Campaign	5,000	-	-	5,000
Me Too	2,962	-	-	2,962
Military	1,629	-	-	1,629
Voter Engagement	12,486	-	(12,486)	-
Binational	3,302	-	(3,302)	-
	<u>\$ 336,971</u>	<u>\$ -</u>	<u>\$ (54,424)</u>	<u>\$ 282,546</u>

NOTE 7 - CONTRIBUTED NONFINANCIAL ASSETS

The Organization recognized contributed financial assets within the statements of activities for the year ended December 31, 2023 as follows:

<u>Nonfinancial Assets 2023</u>	<u>Revenue Recognized</u>	<u>Monetized or Utilized</u>	<u>Utilization in Function</u>	<u>Donor Restrictions</u>	<u>Valuation Technique</u>
Media and vendor sponsorships	\$ 982,190	Utilized	Program	None	Based on estimated value received by the Organization, as stated in the sponsorship agreement.

SAN DIEGO LESBIAN GAY BISEXUAL TRANSGENDER PRIDE, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 - CARES ACT EMPLOYEE RETENTION CREDIT

The CARES Act provides an employee retention credit (“CARES Employee Retention credit”), which is a refundable tax credit against certain employment taxes of up to \$5,000 per employee for eligible employers. The tax credit is equal to 50% of qualified wages paid to employees during a quarter, capped at \$10,000 of qualified wages per employee through December 31, 2020. Additional relief provisions were passed by the United States government, which extend and slightly expand the qualified wage caps on these credits through December 31, 2021. Based on these additional provisions, the tax credit is now equal to 70% of qualified wages paid to employees during a quarter, and the limit on qualified wages per employee has been increased to \$10,000 of qualified wages per quarter.

The Organization qualified for the tax credit under the CARES Act and received additional tax credits under the additional relief provisions for qualified wages through December 31, 2021. During the fiscal year ended December 31, 2023, the Organization recognized grant income of \$149,594 to CARES Employee Retention Credits on the accompanying Statement of Activities for the year ended December 31, 2023.

NOTE 9 - RISKS AND UNCERTAINTIES

The Organization maintains cash accounts at various financial institutions that may at times exceed Federal Deposit Insurance Corporation (FDIC) limits of \$250,000. The Organization has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk related to cash.

NOTE 10 - SUBSEQUENT EVENTS

Management has evaluated the activity of the Organization through June 17, 2024, the date the financial statements were available to be issued and has determined that no subsequent events have occurred that would require recognition or disclosure in the financial statements or the notes to the financial statements.