

FINANCIAL STATEMENTS

OUT  EQUAL

**FOR THE YEAR ENDED JUNE 30, 2023
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2022**

OUT & EQUAL

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Out & Equal
Oakland, California

Opinion

We have audited the accompanying financial statements of Out & Equal (the Organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and change in net assets, functional expenses and cash flows for the year 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 Organization as of June 30, 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.

Basis for Opinion

We conducted our audit 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 Organization and to 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 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 Organization'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.

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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, including omissions, 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 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.

Report on Summarized Comparative Information

The prior year summarized comparative information has been derived from the Organization's 2022 financial statements, which were audited by other auditors and, in their report dated March 17, 2023, they expressed an unmodified opinion on those statements.

A handwritten signature in cursive script that reads "Gelman Rosenberg & Freedman".

February 8, 2024

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**STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022**

ASSETS

	<u>2023</u>	<u>2022</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 10,388,149	\$ 8,470,282
Investments	-	185,188
Sponsorships and accounts receivable	1,890,964	2,136,414
Contributions receivable	200,000	295,000
Prepaid expenses and other current assets	<u>730,370</u>	<u>170,522</u>
Total current assets	<u>13,209,483</u>	<u>11,257,406</u>
FIXED ASSETS		
Computer equipment	83,791	68,446
Software	<u>130,603</u>	<u>130,603</u>
	214,394	199,049
Less: Accumulated depreciation and amortization	<u>(113,405)</u>	<u>(65,128)</u>
Net fixed assets	<u>100,989</u>	<u>133,921</u>
NONCURRENT ASSETS		
Contributions receivable, net of current portion	<u>-</u>	<u>385,000</u>
TOTAL ASSETS	<u>\$ 13,310,472</u>	<u>\$ 11,776,327</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 590,433	\$ 220,946
Deferred revenue	6,336,980	5,226,909
Deferred rent	-	2,247
Other payroll - related liabilities	<u>305,798</u>	<u>247,559</u>
Total liabilities	<u>7,233,211</u>	<u>5,697,661</u>
NET ASSETS		
Without donor restrictions	4,598,534	5,449,043
With donor restrictions	<u>1,478,727</u>	<u>629,623</u>
Total net assets	<u>6,077,261</u>	<u>6,078,666</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 13,310,472</u>	<u>\$ 11,776,327</u>

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**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022**

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE				
Sponsorships - contributions	\$ 522,486	\$ 1,179,523	\$ 1,702,009	\$ 1,133,650
Sponsorships - fees	7,410,508	-	7,410,508	3,617,584
Corporate and foundation grants	157,961	-	157,961	192,322
Other contributions	152,931	-	152,931	104,243
In-kind support	659,013	-	659,013	286,623
Program event registration fees	2,537,718	-	2,537,718	1,180,925
Forgiveness of debt	-	-	-	775,685
Interest and dividends, net	3,255	-	3,255	4,126
Realized and unrealized gains on investments	9,080	-	9,080	5,833
Other revenue	1,340	-	1,340	9,098
Net assets released from donor restrictions	<u>330,419</u>	<u>(330,419)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>11,784,711</u>	<u>849,104</u>	<u>12,633,815</u>	<u>7,310,089</u>
EXPENSES				
Program Services	<u>9,231,037</u>	<u>-</u>	<u>9,231,037</u>	<u>4,043,157</u>
Supporting Services:				
Management and General	3,315,690	-	3,315,690	1,981,656
Development	<u>88,493</u>	<u>-</u>	<u>88,493</u>	<u>123,148</u>
Total supporting services	<u>3,404,183</u>	<u>-</u>	<u>3,404,183</u>	<u>2,104,804</u>
Total expenses	<u>12,635,220</u>	<u>-</u>	<u>12,635,220</u>	<u>6,147,961</u>
Change in net assets	(850,509)	849,104	(1,405)	1,162,128
Net assets at beginning of year	<u>5,449,043</u>	<u>629,623</u>	<u>6,078,666</u>	<u>4,916,538</u>
NET ASSETS AT END OF YEAR	<u>\$ 4,598,534</u>	<u>\$ 1,478,727</u>	<u>\$ 6,077,261</u>	<u>\$ 6,078,666</u>

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**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022**

	2023				2022	
	Supporting Services			Total Supporting Services	Total Expenses	Total Expenses
	Program Services	Management and General	Development			
Salaries:						
Salaries and wages	\$ 2,747,393	\$ 1,313,979	\$ 65,072	\$ 1,379,051	\$ 4,126,444	\$ 2,753,819
Payroll taxes	204,732	92,912	4,653	97,565	302,297	201,060
Employee benefits	459,723	208,880	10,485	219,365	679,088	463,423
Venue and other event production costs	2,676,366	2,479	-	2,479	2,678,845	452,343
Event catering	1,579,915	10,900	-	10,900	1,590,815	264,747
Other fees for services	539,028	331,179	1,504	332,683	871,711	554,913
In-kind - strategic planning	-	507,214	-	507,214	507,214	283,683
Travel	293,397	117,054	5	117,059	410,456	142,628
Books, dues, and subscriptions	178,296	95,262	3,384	98,646	276,942	121,505
Staff development	18	260,755	-	260,755	260,773	172,730
Event speakers and entertainers	204,366	750	-	750	205,116	214,918
Accounting fees	-	164,561	-	164,561	164,561	146,657
Occupancy	65,153	30,400	1,352	31,752	96,905	100,660
Bank and credit card fees	25,767	58,455	29	58,484	84,251	47,173
Printing and copying	79,791	758	-	758	80,549	1,539
Insurance	64,608	11,883	517	12,400	77,008	27,860
Depreciation and amortization	40,022	18,590	850	19,440	59,462	35,933
Telephone and internet	28,481	13,202	603	13,805	42,286	31,250
Bad debt expense	-	40,424	-	40,424	40,424	20,410
Other	28,372	362	-	362	28,734	22,324
Supplies	2,096	16,010	17	16,027	18,123	13,900
Postage and delivery	5,670	4,990	-	4,990	10,660	6,437
Meetings and conferences	295	8,214	-	8,214	8,509	55,616
Awards and gifts	2,478	6,006	-	6,006	8,484	7,760
Advertising	5,070	471	22	493	5,563	4,673
TOTAL	\$ 9,231,037	\$ 3,315,690	\$ 88,493	\$ 3,404,183	\$ 12,635,220	\$ 6,147,961

See accompanying notes to financial statements.

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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022**

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (1,405)	\$ 1,162,128
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	59,462	35,933
Realized and unrealized gain on investments	(9,080)	(5,833)
Debt-forgiveness	-	(775,685)
Decrease (increase) in:		
Sponsorships and accounts receivable	245,450	(421,829)
Contributions receivable	480,000	-
Prepaid expenses and other current assets	(559,848)	28,338
Other assets	-	98,060
Increase (decrease) in:		
Accounts payable and accrued liabilities	369,487	(2,057)
Deferred revenue	1,110,071	2,408,786
Payroll - related liabilities	58,239	-
Deferred rent	<u>(2,247)</u>	<u>(957)</u>
Net cash provided by operating activities	<u>1,750,129</u>	<u>2,526,884</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(26,530)	(88,901)
Net sales (purchases) of investments	<u>194,268</u>	<u>(1,263)</u>
Net cash provided (used) by investing activities	<u>167,738</u>	<u>(90,164)</u>
Net increase in cash and cash equivalents	1,917,867	2,436,720
Cash and cash equivalents at beginning of year	<u>8,470,282</u>	<u>6,033,562</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 10,388,149</u>	<u>\$ 8,470,282</u>

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NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

Out & Equal (the Organization) is the world's premiere nonprofit organization dedicated to achieving lesbian, gay, bisexual and transgender workplace equality. The Organization collaborates with leading local, national, and global corporations, their executives, human resources professionals, employee resource groups and individuals to provide leadership and professional development, education and research to create a culturally accepting work environment free of discrimination. The Organization convenes its annual Workplace Summit which draws 4,000 attendees from 550+ companies, 50+ different countries and offers educational tracks across 100+ workshops, panels and case studies. The Organization also convenes an annual Executive Forum with LGBT and Ally executives that focus on professional; development, networking and action planning tied to key issues facing their companies and the LGBT community. The Organization also offers training, town calls, global webinars, global business forums and its to reach companies globally.

Organizational structure -

The Organization maintains a staff of core employees in Oakland, California, and Washington, D.C., and relies heavily on independent contractors to carry out its activities.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.
- **Net Assets with Donor Restrictions** - Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is 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 and reported in the Statement of Activities and Change in Net Assets as net assets released from donor restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

The financial statements include certain prior year summarized comparative information in total but not by net asset class; such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

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NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Cash and cash equivalents -

The Organization considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, the Organization maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Investments -

Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses are presented net of investment expenses paid to external investment advisors, in the accompanying Statement of Activities and Change in Net Assets.

Sponsorships and accounts receivable -

Sponsorships and accounts receivable are recorded at their net realizable value, which approximates fair value. The allowance for doubtful accounts is determined based upon an annual review of account balances, including the age of the balance and the historical experience with the donor/ stakeholder/customer.

Fixed assets -

Fixed assets in excess of \$1,000 are capitalized and stated at cost. Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three years. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation and amortization expense for the year ended June 30, 2023 totaled \$59,462.

Income taxes -

The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. The Organization is not a private foundation.

Uncertain tax positions -

For the year ended June 30, 2023, the Organization has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

Revenue -

Contributions and grants -

The Organization receives contributions and grants, including unconditional promises to give, from various sources. Contributions and grants are recognized in the appropriate category of net assets in the period received. The Organization performs an analysis of the individual contribution or grant to determine if the revenue streams follow the contribution rules or if they should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal under ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*.

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NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Revenue (continued) -

Contributions and grants (continued) -

For contributions and grants qualifying under the contribution rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions and grants qualifying as contributions that are unconditional that have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions; such funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying financial statements.

Contributions and grants qualifying as conditional contributions contain a right of return and a barrier. Revenue is recognized when the condition or conditions are satisfied. Funds received in advance of the incurrence of qualifying expenditures are recorded as deferred revenue. The Organization had no unrecognized conditional awards as of June 30, 2023.

Contracts and program -

Contracts and program revenue classified as exchange transactions following ASU 2014-09, *Revenue from Contracts With Customers*, are recorded as revenue when performance obligations are met. Depending on the nature of each performance obligation, revenue is recognized either at the point in time when the service obligation is complete or over the period of performance. Revenue may only be recognized over a period of time when one or more of the following conditions is met: a) as the Organization performs the obligation, the customer simultaneously receives and consumes the benefits, b) the customer controls the asset (deliverable) as the Organization creates or enhances it, or c) the Organization has no alternative use for the asset (deliverable) being created (for example, it is not salable to another customer), and the Organization has an enforceable right to receive payment for its performance completed to date. Since the Organization's contracts relate primarily to admissions to conferences, revenue is recognizable at the point in time when the conferences occur. Funding received in advance of satisfying performance obligations are recorded as deferred revenue.

Deferred revenue consists of the following as of June 30, 2023:

Workplace Summit	\$ 3,966,789
Executive Forum	279,118
APAC Forum	26,633
Training and Advisory	1,558,972
Global Hub	289,994
Prepayments	200,000
Other	<u>15,474</u>
TOTAL DEFERRED REVENUE	<u>\$ 6,336,980</u>

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NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

In-kind support -

In-kind support consist of strategic planning, flights and facilities. Goods donated for distribution for the Organization's programs are recorded at their fair market value as of the date of the gift.

Contributed services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. In addition, volunteers have donated significant amounts of their time to the Organization; these donated services are not reflected in the financial statements since these services do not meet the criteria for recognition as contributed services.

Use of estimates -

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

Advertising -

The Organization expenses advertising costs as incurred. Advertising expense was \$5,563 for the year ended June 30, 2023.

Functional allocation of expenses -

The Organization presents its expenses by function and natural category. *Program services* include the direct conduct and direct supervision of specific program activities. *Development* includes efforts to solicit monetary and nonmonetary contributions. *Management & general* includes general oversight, the solicitation and administration of earned income, recordkeeping, regulatory compliance, governance, financial management, and all other activities that do not constitute the direct conduct or direct supervision of specific program services or fundraising activities.

Each month, the Organization allocates each employee's compensation to the major functions according to estimates of time and effort (based on job titles and major responsibilities). Other shared costs, consisting primarily of occupancy and office expenses, are posted to a shared cost pool and allocated amongst functions according to each function's overall proportion of staff time and effort.

New accounting pronouncement not yet adopted -

Accounting Standard Update (ASU) 2016-13, *Financial Instruments – Credit Losses* (Topic 326), replaces the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The ASU is effective for the Organization for the year ending June 30, 2024. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach.

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**
(Continued)

New accounting pronouncement not yet adopted (continued) -

The Organization plans to adopt the new ASU at the required implementation date and management is currently in the process of evaluating the adoption method and the impact of the new standard on its accompanying financial statements.

2. **INVESTMENTS**

Included in investment income are the following:

Interest and dividends, net	\$ 3,255
Net realized and unrealized gain	<u>9,080</u>
TOTAL INVESTMENT INCOME, NET OF INVESTMENT EXPENSES	\$ <u>12,335</u>

3. **NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consist of the following at June 30, 2023:

Subject to expenditure for specified purpose:	
APAC Regional Impact Program	\$ 213,700
Trans/GNC Leadership Initiative	139,614
Diverse Leaders sponsorship	73,615
LGBTQ Talent on the Move	200,000
Tech Improvements	607,986
Economic Empowerment	47,276
Subject to passage of time	<u>196,536</u>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	\$ <u>1,478,727</u>

The following net assets with donor restrictions were released from donor restrictions by incurring expenses (or through the passage of time) which satisfied the restricted purposes specified by the donors:

Purpose restrictions accomplished:	
Trans/GNC Leadership Initiative	\$ 52,698
Belonging Change Agents initiative	65,040
Diverse Leaders sponsorship	54,954
Other Activities	10,603
Economic Empowerment	2,724
Disney	25,000
Timing restrictions accomplished	<u>119,400</u>
TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS	\$ <u>330,419</u>

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

4. LIQUIDITY AND AVAILABILITY

Financial assets available for use for general expenditures within one year of the Statement of Financial Position date comprise the following:

Cash and cash equivalents	\$ 10,388,149
Sponsorships and accounts receivable	1,890,964
Contributions receivable	<u>200,000</u>
Subtotal financial assets available within one year	12,479,113
Less: Donor restricted funds	<u>(1,282,191)</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 11,196,922</u>

The Organization has a policy to structure its financial assets to be available and liquid as its obligations become due.

5. IN-KIND SUPPORT

During the year ended June 30, 2023, the Organization was the beneficiary of donated goods and services which allowed the Organization to provide greater resources toward various programs. Goods donated for distribution for the Organization's programs are recorded at their fair market value as of the date of the gift. There were no donor-imposed restrictions associated with the in-kind contributions during the year ended June 30, 2023.

To properly reflect total program expenses, the following donations have been included in expense for the year ended June 30, 2023. Of the total \$678,387 expensed, \$19,374 was pledged and recorded in the previous year ended June 30, 2022.

Consulting services	\$ 400,000
Airline travel vouchers	62,745
Printing	54,054
Legal services	107,214
Facilities	<u>35,000</u>
TOTAL IN-KIND CONTRIBUTIONS	<u>\$ 659,013</u>

The following programs have benefited from these donated services:

Program Services	\$ 132,428
Management and General	<u>545,959</u>
TOTAL PROGRAMS BENEFITED	<u>\$ 678,387</u>

6. CO-WORKING FACILITY MEMBERSHIPS

The Organization maintains a predominantly remote workforce. In lieu of leasing office space, the Organization maintains memberships at coworking facilities in Oakland, California, and North Bethesda, Maryland, under agreements with various terms. The total cost of these memberships was approximately \$96,905 for the fiscal year. As of June 30, 2023, the total unfulfilled financial obligation associated with these memberships was approximately \$49,927.

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NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

7. RETIREMENT PLAN

Out & Equal participates in an Internal Revenue Code Section 401(k) profit sharing retirement plan, which covers the Organization's employees after one year of employment. Under the terms of the Plan, the Organization makes a non-elective Safe Harbor Contribution of 6% of each eligible employee's wages plus a matching contribution of up to 5% of each eligible employee's wages. For the year ended June 30, 2023, the Organization contributed a total of \$279,559 to the retirement accounts of its employees.

8. COMMITMENTS

The Organization is committed under agreements for conference space through the year 2026. The total commitments under the agreements are not determinable as it depends upon attendance and other unknown factors. There are cancellation penalties that would be due if the agreements were cancelled prior to the event date. The amount of the cancellation penalties increase through the date of the event.

9. SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through February 8, 2024, the date the financial statements were issued.