OUTSIDETHELENS

FINANCIAL STATEMENTS

DECEMBER 31, 2022

Leaf & Cole, LLP
Certified Public Accountants

OUTSIDE THE LENS
FINANCIAL STATEMENTS
DECEMBER 31, 2022

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Leaf & Cole, LLP
Certified Public Accountants
A Partnership of Professional Corporations

Independent Auditor's Report

To the Board of Directors
Outside the Lens

Opinion

We have audited the accompanying financial statements of Outside the Lens (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, 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 financial statements referred to above present fairly, in all material respects, the financial position of Outside the Lens as of December 31, 2022, and the changes 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 Outside the Lens, 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 Outside the Len's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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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, 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 Outside the Len'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 Outside the Len'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.

Leaf & Cole LLP

San Diego, California
December 5, 2023

OUTSIDE THE LENS
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

ASSETS

Assets: (Notes 2 and 4)		
Cash and cash equivalents	$	930,692
Accounts receivable		182,378
Prepaid expenses		9,464
Deposit		15,277
Furniture and equipment, net		108,113
TOTAL ASSETS	$	1,245,924

LIABILITIES AND NET ASSETS

Liabilities: (Note 2)		
Accounts payable and accrued expenses	$	80,000
Total Liabilities		80,000
Commitments and Contingency (Note 6)		
Net Assets: (Notes 2 and 5)		
Without donor restrictions		792,096
With donor restrictions		373,828
Total Net Assets		1,165,924
TOTAL LIABILITIES AND NET ASSETS	$	1,245,924

The accompanying notes are an integral part of the financial statements.

OUTSIDE THE LENS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:			
Fee for service	$ 1,512,123	$ -	$ 1,512,123
Grants and contributions	398,692	373,828	772,520
Investment loss	(1,208)	-	(1,208)
Net assets released from restrictions	35,223	(35,223)	-
Total Revenue and Support	1,944,830	338,605	2,283,435
Expenses:			
Program Services	1,349,892	-	1,349,892
Supporting Services:			
Management and general	238,109	-	238,109
Fundraising	136,790	-	136,790
Total Supporting Services	374,899	-	374,899
Total Expenses	1,724,791	-	1,724,791
Change in Net Assets	220,039	338,605	558,644
Net Assets at Beginning of Year	572,057	35,223	607,280
NET ASSETS AT END OF YEAR	$ 792,096	**$** 373,828	$ 1,165,924

The accompanying notes are an integral part of the financial statements.

OUTSIDE THE LENS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Total
Salaries and Related Expenses				
Salaries	$ 810,308	$ 128,971	$ 101,689	$ 1,040,968
Payroll taxes	65,972	10,407	8,206	84,585
Employee benefitss	30,044	4,794	3,779	38,617
Total Salaries and Related Expenses	906,324	144,172	113,674	1,164,170
Nonsalary Related Expenses				
Cameras across cultures	5,000	-	-	5,000
Depreciation	26,480	4,224	3,331	34,035
Dues and subscriptions	18,089	10,217	2,286	30,592
Equipment	61,217	32	-	61,249
Insurance	9,133	1,982	1,563	12,678
Media makers expenses	1,524	-	-	1,524
Moving	-	5,000	-	5,000
Office expenses	3,535	564	445	4,544
Other expenses	5,597	1,965	312	7,874
Printing	1,759	-	-	1,759
Professional services	29,956	27,180	5,548	62,684
Program expense	99,655	30,996	346	130,997
Rent	55,449	9,831	7,752	73,032
Staff development	7,356	1,174	925	9,455
Taxes and licenses	1,431	229	180	1,840
Utilities	3,406	543	428	4,377
Volunteer services	113,981	-	-	113,981
TOTAL EXPENSES	$ 1,349,892	$ 238,109	$ 136,790	$ 1,724,791

The accompanying notes are an integral part of the financial statements.

OUTSIDE THE LENS
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

Cash Flows From Operating Activities:		
Change in net assets	$	558,644
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		34,035
Unrealized loss		1,282
(Increase) Decrease in:		
Accounts receivable		840
Prepaid expenses		(9,464)
Increase (Decrease) in:		
Accounts payable and accrued expenses		14,393
Net Cash Provided by Operating Activities		599,730
Cash Flows From Investing Activities:		
Investment sales		4,135
Payments for deposits		(13,226)
Purchase of furnituure and equipment		(93,427)
Net Cash Used in Investing Activities		(102,518)
Net Increase in Cash and Cash Equivalents		497,212
Cash and Cash Equivalents at Beginning of Year		433,480
CASH AND CASH EQUIVALENTS AT END OF YEAR	$	930,692

The accompanying notes are an integral part of the financial statements.

Note 1 - Organization:

Outside the Lens (the "Organization") is a California Not-For-Profit Corporation organized on March 27, 2009. The Organization's mission is to engage, educate and empower youth on issues affecting the world today through photography and multi-media projects.

Note 2 - Significant Accounting Policies:

Accounting Method

The financial statements of the Organization have been prepared on the accrual basis of accounting which is in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and, accordingly, reflect all significant receivables, payables, and other liabilities.

Financial Statement Presentation

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes thereon are classified and reported as follows:

- Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

- Net Assets With Donor Restrictions - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Estimates

The preparation of 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value Measurements

Fair value accounting standards define fair value, establish a framework for measuring fair value, outline a fair value hierarchy based on inputs used to measure fair value and enhance disclosure requirements for fair value measurements. The fair value hierarchy distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Level 1 or 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy). The Organization had no financial instruments at December 31, 2022.

Note 2 - Significant Accounting Policies: (Continued)

Allowance for Doubtful Accounts

Bad debts are recognized on the allowance method based on historical experience and management's evaluation of outstanding receivables. Management believes that all accounts receivable was fully collectible; therefore, no allowance for doubtful accounts receivable was recorded at December 31, 2022.

Capitalization and Depreciation

The Organization capitalizes all expenditures in excess of $5,000 for furniture and equipment at cost, while donations of furniture and equipment are recorded at their estimated fair values. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire furniture and equipment are reported as support with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Furniture and equipment is depreciated using the straight-line method over the estimated useful asset lives as follows:

Furniture and equipment	5 - 7 years

Depreciation totaled $34,035 for the year ended December 31, 2022.

Maintenance and repairs are charged to operations as incurred. Upon sale or disposition of equipment, the asset account is reduced by the cost and the accumulated depreciation account is reduced by the depreciation taken prior to the sale. Any resultant gain or loss is then recorded as income or expense.

Compensated Absences

Accumulated unpaid vacation totaling $24,492 at December 31, 2022, is accrued when incurred and included in accounts payable and accrued expenses.

Revenue Recognition

Fee For Service

Fee for service revenue is recognized in the period in which the related work is performed in accordance with the terms of the contract. Accounts receivable are recorded when revenue earned under a contract exceeds the cash received. Deferred revenue is recorded when cash received under a contract exceeds the revenue earned. Accounts receivable totaled $31,116 at December 31, 2022.

Grant Revenue

Grant revenue is recognized in the period in which the related work is performed in accordance with the terms of the grant. Accounts receivable is recorded when revenue earned under a grant exceeds the cash received. Deferred revenue is recorded when cash received under a grant exceeds the revenue earned. Accounts receivable totaled $151,262 at December 31, 2022.

Note 2 - Significant Accounting Policies: (Continued)

Revenue Recognition (Continued)

Contributions

Contributions are recognized when the donor makes a promise to give to the Organization 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.

Donated Services

The Organization utilizes the services of many volunteers throughout the year. This contribution of services by the volunteers is not recognized in the financial statements unless the services received (a) create or enhance nonfinancial assets or (b) require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The donated services for the year ended December 31, 2022, did not meet the requirements above, therefore no amounts were recognized in the financial statements.

Functional Allocation of Expenses

The statements of functional expenses present expenses by function and natural classification. The Organization allocates its expenses on a functional basis among its program 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 time records and estimates made by the Organization's management.

Income Taxes

The Organization is a public charity and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization is not a private foundation.

The Organization's Return of Organization Exempt from Income Tax for the years ended December 31, 2022, 2021, 2020 and 2019 are subject to examination by the Internal Revenue Service and State taxing authorities, generally three to four years after the returns were filed.

Note 2 - Significant Accounting Policies: (Continued)

Concentration of Credit Risk

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Accounting Pronouncements Adopted

In September 2020, the FASB issued ASU No. 2020-07, *Presentation and Disclosures by Not-for Profit Entities for Contributed Nonfinancial Assets (Topic 958).* ASU 2020-07 improves transparency in the reporting of contributed nonfinancial assets, also known as gifts in-kind, for not-for-profit entities. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, along with expanded disclosure requirements. This standard is applied on a retrospective basis. The adoption had no effect on the 2022 financial statements.

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Codification ("ASC") 842, Leases ("FASB ASC 842") to increase transparency and comparability among organizations by requiring the recognition of lease assets and lease liabilities on the statement of financial position by lessees and the disclosure of key information about leasing arrangements. This standard is applied on a modified retrospective basis. FASB ASC 842 was adopted January 1, 2022 with certain practical expedients available. The adoption had no effect on the 2022 financial statements.

Subsequent Events

The Organization has evaluated subsequent events through December 5, 2023, which is the date the financial statements are available for issuance, and concluded that there were no events or transactions that needed to be disclosed.

Note 3 - Liquidity and Availability

The Organization 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 activities to be general expenditures.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year, are comprised of the following at December 31, 2022:

Financial Assets:	
Cash and cash equivalents	$ 930,692
Accounts receivable	182,378
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 1,113,070

In addition, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

Note 4 – Furniture and Equipment:

Furniture and equipment consist of the following at December 31, 2022:

Furniture and equipment	$ 186,309
Subtotal	186,309
Less: Accumulated depreciation	(78,196)
Furniture and equipment, Net	$ 108,113

Note 5 - Net Assets With Donor Restrictions:

Net assets with donor restrictions represent contributions received or receivable by the Organization, which are limited in their use by time or donor-imposed restrictions. Net assets with donor restrictions are available for the following purpose at December 31, 2022:

Subject to Expenditure for Specified Purpose:	
K-12 Community	$ 208,835
Media Makers	53,981
Veterans in Art	50,000
Art and culture	41,012
Programs	20,000
Total Subject to Expenditure for specified Purpose	$ 373,828

Note 5 - Net Assets With Donor Restrictions: (Continued)

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose or other events specified by the donors are as follows for the year ended December 31, 2022:

Purpose Restrictions Accomplished:		
Programs	$	24,223
Equipment		11,000
Total Net Assets Released From Restrictions	$	35,223

Note 6 - Commitments and Contingency:

Pension Plan

The Organization has established a 401(k) plan for employees on January 1, 2022. The plan was created to allow non-elective employer contribution for all eligible employees who have attained age 21 and completed 6 months of service. Employer contributions totaled $-0- for the year ended December 31, 2022.

Operating Leases

The Organization leases office facilities in San Diego under two one year lease agreements through February 2023. The Organization signed a three year lease agreement for office space beginning February 1, 2023 through January 31, 2026. Rent expense totaled $73,032 for the year ended December 31, 2022. Future minimum rental payments are as follows:

Years Ended December 31		
2023	$	69,667
2024		76,464
2025		79,133
2026		6,613
	$	231,877

Coronavirus Pandemic Contingency

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The Organization is closely monitoring its liquidity and is actively working to minimize the impact of these declines. The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Organization's customers, donors, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Organization's financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.