

**IOLA FOUNDATION
DBA: IT GETS BETTER PROJECT**

FINANCIAL STATEMENTS

DECEMBER 31, 2022

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
IOLA Foundation dba: It Gets Better Project

Opinion

We have audited the accompanying financial statements of IOLA Foundation dba: It Gets Better Project (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 IOLA Foundation dba: It Gets Better Project 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of IOLA Foundation dba: It Gets Better Project 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 IOLA Foundation dba: It Gets Better Project's ability to continue as a going concern within 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 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.

INDEPENDENT AUDITORS' REPORT

continued

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 IOLA Foundation dba: It Gets Better Project'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 IOLA Foundation dba: It Gets Better Project'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.

Other Matter

Report on Summarized Comparative Information

We have previously audited IOLA Foundation dba: It Gets Better Project's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 22, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Harrington Group

Pasadena, California

June 6, 2023

IOLA FOUNDATION DBA: IT GETS BETTER PROJECT

STATEMENT OF FINANCIAL POSITION

December 31, 2022

With comparative totals at December 31, 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash	\$ 1,606,264	\$ 3,129,161
Restricted cash - board reserve	300,000	509,157
Accounts receivable	246,151	314,032
Prepaid expenses	6,115	7,098
Investments (Note 4)	539,993	-
Property and equipment (Note 6)	22,402	25,443
TOTAL ASSETS	\$ 2,720,925	\$ 3,984,891
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued liabilities	\$ 123,377	\$ 75,523
Deferred revenue (Note 7)	150,000	-
TOTAL LIABILITIES	273,377	75,523
NET ASSETS		
Without donor restrictions	1,009,224	1,431,502
Without donor restrictions - board designated (Note 8)	300,000	800,000
With donor restrictions (Note 8)	1,138,324	1,677,866
TOTAL NET ASSETS	2,447,548	3,909,368
TOTAL LIABILITIES AND NET ASSETS	\$ 2,720,925	\$ 3,984,891

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

IOLA FOUNDATION DBA: IT GETS BETTER PROJECT

STATEMENT OF ACTIVITIES
 For the year ended December 31, 2022
 With comparative totals for the year ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	2022	2021
REVENUE AND SUPPORT				
Contributions and grants	\$ 2,022,459	\$ 1,062,140	\$ 3,084,599	\$ 3,927,622
Other income	14,092		14,092	-
Merchandise income	7,357		7,357	54,321
Income from investments	(9,783)		(9,783)	752
Net assets released from restrictions (Note 8)	1,601,682	(1,601,682)	-	-
TOTAL REVENUE AND SUPPORT	3,635,807	(539,542)	3,096,265	3,982,695
EXPENSES				
Program services	3,912,155		3,912,155	1,977,732
Administrative	371,163		371,163	204,857
Fundraising	274,767		274,767	206,269
TOTAL EXPENSES	4,558,085	-	4,558,085	2,388,858
CHANGE IN NET ASSETS BEFORE OTHER CHANGES	(922,278)	(539,542)	(1,461,820)	1,593,837
OTHER CHANGES				
Forgiveness of paycheck protection program loan			-	87,397
CHANGE IN NET ASSETS	(922,278)	(539,542)	(1,461,820)	1,681,234
NET ASSETS, BEGINNING OF YEAR	2,231,502	1,677,866	3,909,368	2,228,134
NET ASSETS, END OF YEAR	\$ 1,309,224	\$ 1,138,324	\$ 2,447,548	\$ 3,909,368

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

IOLA FOUNDATION DBA: IT GETS BETTER PROJECT

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2022

With comparative totals for the year ended December 31, 2021

	Program Services			Total Program Services	Administrative	Fundraising	Total Expenses	
	Education	Media	International				2022	2021
Salaries	\$ 195,697	\$ 599,349	\$ 207,551	\$ 1,002,597	\$ 121,575	\$ 162,919	\$ 1,287,091	\$ 859,244
Advertising	56,103	570,486	2,400	628,989			628,989	222,097
Global grant recipients	515,357		73,100	588,457			588,457	100,613
Production expenses	95,068	381,360	108,828	585,256			585,256	266,009
Program consulting	39,802	178,222	27,311	245,335			245,335	127,656
Venue rental	15,585	19,106	153,160	187,851			187,851	30,471
Travel and meeting expenses	59,075	22,896	91,696	173,667			173,667	25,898
Talent	10,550	128,373	6,600	145,523			145,523	61,232
Employee benefits	18,847	58,925	17,873	95,645	11,909	16,499	124,053	62,237
Training	2,578	4,238	1,661	8,477	89,762	2,935	101,174	77,160
Payroll taxes	14,631	45,145	13,890	73,666	9,228	12,983	95,877	63,547
Rent	8,683	27,160	8,269	44,112	6,833	7,606	58,551	55,034
Other program costs	2,749	44,465	2,638	49,852			49,852	18,207
Independent contractors	1,030	2,082	1,856	4,968	10,351	26,611	41,930	28,190
Accounting fees				-	29,615		29,615	17,791
Program supplies and equipment	3,016	25,190	532	28,738			28,738	13,596
Dues and subscriptions	185	1,142	377	1,704	11,517	8,395	21,616	20,741
Audit and tax preparations				-	19,500		19,500	7,400
Lodging		787		787	1,858	13,326	15,971	-
Depreciation	1,329	5,074	3,624	10,027	1,329	725	12,081	10,790
Graphic and web design	7,080	3,392	1,530	12,002			12,002	53,058
Fundraising compliance services				-	10,170	1,679	11,849	16,362
Payroll fees	1,716	5,362	1,625	8,703	1,084	1,501	11,288	7,796
Office expenses		480	179	659	6,077	3,846	10,582	12,559
Legal fees				-	9,737		9,737	8,179
Post-production		7,811		7,811			7,811	17,962
Bad debts				-	7,496		7,496	24,720
Workers compensation	1,061	3,321	1,007	5,389	671	929	6,989	5,033
Insurance	32	100	30	162	6,292	28	6,482	6,874
Bank charges				-	818	4,798	5,616	20,905
Merchandise				-		5,513	5,513	17,418
Transportation		210		210	2,377	1,631	4,218	23
Miscellaneous				-	3,319	795	4,114	662
Recruitment expense				-	1,592	1,411	3,003	2,472
Investment management fees				-	2,774		2,774	-
Internet and telephone		457		457	2,130		2,587	2,642
Staff and board meetings				-	1,898		1,898	699
Printing and copying			1,026	1,026		274	1,300	2,867
Entertainment		85		85	460	173	718	-
Events				-	524		524	1,366
Taxes and licenses				-	267	190	457	252
Marketing services				-			-	112,250
Postage and shipping				-			-	6,846
Donations				-			-	-
TOTAL 2022 FUNCTIONAL EXPENSES	\$ 1,050,174	\$ 2,135,218	\$ 726,763	\$ 3,912,155	\$ 371,163	\$ 274,767	\$ 4,558,085	
TOTAL 2021 FUNCTIONAL EXPENSES	\$ 327,138	\$ 1,203,277	\$ 447,317	\$ 1,977,732	\$ 204,857	\$ 206,269		\$ 2,388,858

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

IOLA FOUNDATION DBA: IT GETS BETTER PROJECT

STATEMENT OF CASH FLOWS

For the year ended December 31, 2022

With comparative totals for the year ended December 31, 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (1,461,820)	\$ 1,681,234
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation	12,081	10,790
Reinvested interest and dividends	(7,233)	-
Loss (gain) on investments	17,016	-
Forgiveness of paycheck protection program loan	-	(87,397)
(Increase) decrease in operating assets:		
Restricted cash	209,157	(190,395)
Accounts receivable	67,881	(20,882)
Prepaid expenses	983	(313)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	47,854	21,209
Deferred revenue	150,000	-
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	<u>(964,081)</u>	<u>1,414,246</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	105,130	-
Purchase of investments	(654,906)	(12,350)
Purchase of equipment	(9,040)	-
NET CASH (USED) BY INVESTING ACTIVITIES	<u>(558,816)</u>	<u>(12,350)</u>
NET (DECREASE) INCREASE IN CASH	<u>(1,522,897)</u>	<u>1,401,896</u>
CASH, BEGINNING OF YEAR	<u>3,129,161</u>	<u>1,727,265</u>
CASH, END OF YEAR	<u>\$ 1,606,264</u>	<u>\$ 3,129,161</u>

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

IOLA FOUNDATION DBA: IT GETS BETTER PROJECT

NOTES TO FINANCIAL STATEMENTS

1. **Organization**

IOLA Foundation dba: It Gets Better Project (“IOLA Foundation”) is a California nonprofit corporation classified by the Internal Revenue Service as tax-exempt under Section 501(c)(3).

Mission

The It Gets Better Project's mission is to uplift, empower, and connect lesbian, gay, bisexual, transgender, and queer (LGBTQ+) youth around the globe.

LGBTQ+ youth worldwide have limited access to accurate information, positive media representation, and supportive communities that affirm their identities, encourage their growth, and make them feel welcome in the world. The It Gets Better Project empowers LGBTQ+ youth to embrace and pursue their greatest potential by nurturing their confidence and providing the resources they need to build skills for navigating the world. We ensure that LGBTQ+ youth know and believe there is a future out there for them and that their options are limitless.

History

Launched in 2010 in response to several LGBTQ+ youth dying from suicide, the It Gets Better Project is the world's largest storytelling effort to empower LGBTQ+ youth to realize and pursue their greatest potential. The message contained in the first It Gets Better video was simple: no matter how difficult things may be, life can and will get better. Within days of its release, this uplifting story went viral and inspired a spontaneous, organic grassroots movement to spread a message of hope to LGBTQ+ youth everywhere.

More than a decade later, the It Gets Better Project has seen it get better for millions of LGBTQ+ people. We have witnessed marriage equality in the United States and abroad, a White House bathed in rainbow light, and the normalization of coming out for a generation of young people who are redefining gender and sexuality on their own terms. The It Gets Better Project's message of hope for LGBTQ+ youth, spread by diverse messengers and media channels, have inspired people around the world and continue to touch individual lives and contribute to sweeping cultural changes.

The It Gets Better Project has since amassed a dynamic collection of stories and other digital media content—shared via social media and ItGetsBetter.org—that expound on the values of resiliency, community, and staying true to oneself. More than 70,000 individuals, corporations, and other organizations have shared their stories, and many have donated their time and financial resources, which has resulted in a universally recognized and celebrated global movement with a growing presence across four continents with storytelling initiatives in eight languages. The stories about how life can and will get better are reaching young people and changing their own narratives of what's possible for them today and in the future.

IOLA FOUNDATION DBA: IT GETS BETTER PROJECT

NOTES TO FINANCIAL STATEMENTS

1. **Organization**, continued

The It Gets Better Project is *the* destination resource for LGBTQ+ and questioning youth exploring their sexual orientation and/or gender identity. With programming adhering to the evidence-backed frameworks of positive youth development and developmental assets, and by continuing to influence the global social narrative through new media initiatives, expanding its global network, and enhancing visibility of the It Gets Better brand, the It Gets Better Project will continue to reach young LGBTQ+ people who have the most to gain from the organization’s positive and empowering work.

Today, the It Gets Better Project focuses its work in three areas:

1. **Storytelling and Media:** We cultivate stories that inspire hope, educate, and spark conversations.
2. **It Gets Better Edu:** We ensure that uplifting and informative stories reach LGBTQ+ youth and their peers wherever learning takes place – inside the classroom and out.
3. **It Gets Better Global:** We foster an international community of like-minded organizations in supporting LGBTQ+ youth everywhere.

STORYTELLING & MEDIA

Stories are the vehicle we use to connect with LGBTQ+ youth around the world. Each wisdom-infused It Gets Better story has the power to uplift and inspire a LGBTQ+ young person to pursue their greatest potential. In 2022, the It Gets Better Project shared hundreds of uplifting messages and original content that were viewed **more than 21 million times across TikTok, Instagram, Twitch, Twitter, Facebook, LinkedIn, Reddit and Tumblr**. Further, more than **467,000 people** visited ItGetsBetter.org, our information-rich website, to engage with resources designed to inform LGBTQ+ youth on their sexual orientation and/or gender journey.

Some of our favorite It Gets Better stories included:

- Artist, director, and author **Chella Man** discussing his identity (which includes being Deaf, trans, Jewish, and Chinese as well as “determined, curious, and hopeful”) and finding a sense of belonging through art, community, and joining a Trans boxing collective.
- “Artist” **Dee Trannybear-Marino**, who discovered their identity through hair and makeup — then launched a beauty company catering to trans and nonbinary people.
- Bass player **April Kae**, who went viral on YouTube with a Cardi B. cover, describing how music helps her navigate the world’s challenges.#

#

With two-thirds of its 30 million daily active users under the age of 35 (and 41% of them under the age of 24), **Twitch** continues to be a top priority platform for the It Gets Better Project. Twitch offers a unique opportunity to directly interact with young LGBTQ+ people while facilitating a safe, inclusive, digital community. In 2022, the It Gets Better Project Twitch Ambassador and Affiliate programs expanded to more than **100 streamers** who logged **1,200+ broadcast hours**, contributing to a **300% increase in channel subscribers**.

continued

IOLA FOUNDATION DBA: IT GETS BETTER PROJECT

NOTES TO FINANCIAL STATEMENTS

1. Organization, continued

We partnered with independent game developer **Playtra Games** for a takeover of our Twitch channel to discuss the importance of representation in gaming timed to the launch of *Grid Force: Mask of the Goddess*, a tactical grid-based role-playing game. Openly gay Playtra president and *Grid Force: Mask of the Goddess* developer **Dan Bernardo** led the conversation around advancements in gaming.

In May, the It Gets Better Project launched its first original Twitch vodcast, **Perfectly Queer**. The show's 16-episode first season served as a platform to amplify the work of the It Gets Better Project, to engage in conversation around current events, and to offer a safe space for LGBTQ+ youth to seek advice and connect with their community. Hosted by comedian **Ever Mainard** and PhD student **Taylor Scriber**, the show featured a wide array of guests, including **Calle y Poché**, **mxmtoon**, **Zolita**, **Harry Hanson**, **V Spehar**, **Armand Fields**, and **Justin Huertas**.

In partnership with **Humble Bundle**, the It Gets Better Project released **LGBTQ+ Fundamentals**, an award-winning series of short-form videos created to accompany terms found in the popular glossary section of ItGetsBetter.org. The videos offer context for the ever-evolving language used by LGBTQ+ people to describe their identity and associated experiences.

Pride Month continues to be one of the most exciting times of year for the It Gets Better Project. We launched the season with **Taco Bell Foundation** and a series of drag brunches, with beloved drag talent **Kay Sedia**, at select **Taco Bell Cantina** locations across the country! The third annual ***It Gets Better: A Digital Pride Experience*** featured: **Pride in Conversation**, a series of IG Live chats featuring our Youth Voices interviewing talent including *Queer As Folk* cast members **Nyle DiMarco** and **Armand Fields**, comedian **Jeffrey Jay**, trans model and dancer **Makayla Walker**, plus-size queer model **Ady Del Valle**, and model and activist **Harnaam Kaur**; **Pride in Fit**, a series of fitness events accounting for various abilities and centering body positivity led by trainers **Sam Leicht** and **Jhonatan Castillo**; and **Pride in Practice**, a series of TikTok videos centered around advice for LGBTQ+ youth experiencing Pride for the first time. With more than **550 hours of digital programming**, *It Gets Better: A Digital Pride Experience* logged **11 million impressions** and **230K engagements** across all It Gets Better social media platforms. The It Gets Better Project also returned to **NYC Pride** in New York, NY with a slate of activations including Youth Pride, The Rally, Human Rights Conference, and the Pride Luminaries Brunch.

Original content continues to be an essential ingredient of our core storytelling efforts. In October, we launched the Anthem Award-winning ***Queer Sex Ed***, a series highlighting important, queer inclusive conversations about sexual health with guidance from sex educators **Melina Gaze** and **Dr. Lexx Brown-James**. **Q.Digital** and **Hornet** served as media partners for the series.

In December, we released another original web series with support from our friends at **Howmet Aerospace Foundation**, **Industry: STEM**. The series takes a close look at LGBTQ+ STEM professionals and the experiences that led them to careers within the science, technology, engineering, and mathematics industries. Cast members include Google coder and TikTok instructor **Anna Lytical**, t-cell immunologist **Reiss Reid PhD**, and neuropsychologist in training, and The Great American Baking Show semi-finalist **Jiwandeep Kohli**. **Industry: STEM**, and all original It Gets Better content, is available for permanent viewing on the It Gets Better Project's YouTube channel.

IOLA FOUNDATION DBA: IT GETS BETTER PROJECT

NOTES TO FINANCIAL STATEMENTS

1. **Organization**, continued

An unprecedented number of anti-LGBTQ+ bills ranging from book bans to trans healthcare continued to threaten the well-being of LGBTQ+ youth. To draw attention to these issues and to open the discussion on how society can better support LGBTQ+ youth, the It Gets Better Project partnered with **Teen Vogue** for an **Instagram Live** conversation. Teen Vogue editor **Brittany McNamara** facilitated a discussion with 14-year-old influencer and activist **Zaya Wade**, Jeopardy champion **Amy Schneider**, and our own Youth Voice ambassador **Zach Koung**.

The It Gets Better Project joined **MTV** for the Second Annual **Mental Health Action Day**. In addition to offering quick-bite mental health tips from our TikTok ambassadors, we partnered with musician **X. Ari** and **Wisdomania Fest** for a **TikTok Live** mini-concert and conversation about the importance of music as a mental health tool.

The It Gets Better Project partnered with **Rock the Vote** and **Do Something!** for the **#ElectionSzn** campaign hosted on TikTok and Instagram. The effort encouraged voter registration and offered young people a platform to discuss the issues that are important to them, contributing to record voter turnout for the 2022 mid-term election cycle.

Our end of year giving campaign, *Better Every Day*, was our most successful yet. Supported by celebrity signatories and brothers **Scott and Chris Evans**, actor and author **Colton Haynes**, and a host of other supporters of the It Gets Better Project, the campaign was seen by more than **2 million people across social media** and raised **nearly \$500K to support our life-affirming work**.

IT GETS BETTER EDU

With a premier youth ambassador program, an ambitious grant initiative supporting LGBTQ+ students, and a growing library of free educational resources delving into the LGBTQ+ experience, tens of thousands of middle and high school students are engaged through It Gets Better EDU programming every year.

The It Gets Better Project, with support from American Eagle, Aerie, and their generous customers, awarded \$500,000 in grants to middle and high schools throughout the United States. The initiative, known as **50 States. 50 Grants. 5,000 Voices**, aims to empower LGBTQ+ students to create the change they want to see in their schools and local communities. Grants were awarded to 50 schools in 40 states and Washington D.C. Projects included a gender-neutral bathroom remodel in **Colorado**; an educational experience on Native Hawaiian's recognition of māhū identity (third gender identity) in **Hawaii**; a set of murals based on inclusion and unity highlighting queer, Black history in **Mississippi**; and a gender-inclusive closet providing affirming supplies and clothes for trans and gender non-conforming students in **New Mexico**. *50 States. 50 Grants. 5,000 Voices*. received widespread coverage in national news outlets such as **TODAY, Forbes, and Yahoo! News** and received an Anthem Award for its impact as a Human & Civil Rights Non-Profit Campaign. The grant opportunity will return in 2023 and expand to include middle and high schools in Canada. #

IOLA FOUNDATION DBA: IT GETS BETTER PROJECT

NOTES TO FINANCIAL STATEMENTS

1. **Organization**, continued

Now in its third year, the It Gets Better Project's youth ambassador program **Youth Voices** continues to be a powerful reminder of the drive, the passion, and resiliency young LGBTQ+ people possess. In a year that saw an enormous rise in the hateful legislation targeting LGBTQ+ young people, It Gets Better Youth Voices ambassadors took part in a variety of activities designed to educate community supporters. They spoke with **USA Today** about the rise in book bans across the country and walked through the importance of proper pronoun use with **Seventeen.com**. They spoke at **SXSW EDU** about local anti-trans legislation in Texas. They hosted panels and presented at the **NYC Pride Human Rights Conference** and **The Rally**. Their stories were featured in Pride campaigns for brands like **Freeform**, **Oribe**, **Chapstick** and **Zenni**. And, collectively, they produced a series of zines on self-love, mental health, and Pride, which were released throughout the year.

The It Gets Better Project hosted an inaugural **Youth Summit** at the Los Angeles LGBT Center. The three-day summit offered opportunities for the It Gets Better Youth Voices to bond with their peers, take part in storytelling workshops, and discuss the issues that are important to them. We capped off the summit with **Queer Field Day at Heart of Los Angeles**, inviting other Los Angeles area LGBTQ+ youth to join the It Gets Better Youth Voices for an afternoon of games, crafts, music, dancing and more.

In collaboration with Hopelab and CenterLink, the It Gets Better Project played a key role in the development of **imi**, a digital mental health resource created by LGBTQ+ youth for LGBTQ+ youth. Designed as a tool to support identity exploration and to help LGBTQ+ youth establish practical approaches to coping with sexual and/or gender minority stress, a randomized controlled trial revealed that the web-based app boosts positive coping skills essential to maintaining the mental health of LGBTQ+ youth. Imi reached **more than 50,000 users** by the end of 2022. #

Thousands of educational materials were downloaded by educators throughout 2022 to reach **more than 64,000 students** participating in both on and offline learning environments. This year, the It Gets Better Project's free-for-download EduGuide library expanded to include:

- **Queer Sex Ed** - A complementary guide to the original It Gets Better Project web series highlighting the importance of inclusive sex-education.
- **Industry: STEM** - Another complementary guide to the original It Gets Better Project web series *Industry: STEM*.

IT GETS BETTER GLOBAL

The It Gets Better Project builds community by cultivating a growing slate of international, like-minded organizations that have embraced our mission to support LGBTQ+ youth in their home countries; spearheading global grantmaking initiatives to elevate the work of organizations serving LGBTQ+ youth; engaging with young LGBTQ+ people both on and offline through special events; and curating safe virtual spaces via social media where LGBTQ+ youth can connect and engage with one another.

continued

IOLA FOUNDATION DBA: IT GETS BETTER PROJECT

NOTES TO FINANCIAL STATEMENTS

1. **Organization**, continued

Launched in 2017, the It Gets Better Project's **Global Grantmaking** initiative has awarded more than \$308K in grants and scholarships to international organizations and activists serving the needs of LGBTQ+ youth. Global grantmaking totaled \$73,100 in 2022 and included the following:

- **It Gets Better Canada.** Supporting general operations.
- **Taiwan Equality Campaign.** Supporting general operations of the Asia Rainbow Ride.
- **It Gets Better Mexico.** Supporting general operations.
- **It Gets Better Paraguay.** Supporting the development of sex education resources for LGBTQ+ youth in Paraguay.
- **It Gets Better Peru.** Supporting an educational web series about the experiences and community building efforts of transgender women in Peru.
- **It Gets Better Panama.** Supporting general operations.
- **It Gets Better Brazil.** Supporting the production of *Dear Diary: A Journey to Queer Self-Esteem*, a web series covering the importance of body positivity and building self-confidence.
- **Daria Comunidad.** Supporting the creation of a safe space for artistic expression for Bolivia's indigenous LGBTQ+ youth.
- Discretionary microgrants were awarded to **The Center for LGBTQ Studies, United We Dream, Waves Ahead, North County LGBTQ Resource Center, Latino Equality Alliance, Black Emotional & Mental Health Collective, API Equality LA, BreakOUT!, Cal Poly Pomona's Pride Center, Keshet, National Queer and Trans Therapists of Color Network, The National Queer Asian Pacific Islander Alliance, Queer Women of Color Media Arts Project, and Supporting and Mentoring Youth Advocates and Leaders.**

Following nearly three years of planning and delays due to the COVID-19 pandemic, the It Gets Better Project co-hosted the 2022 **ILGA World Conference** in Long Beach, CA. More than 800 LGBTQ+ activists, public officials, and leading nonprofits from around the world gathered for a week of educational workshops, networking, inspiring key notes, and to set the agenda for global LGBTQ+ advocacy for the next two years. The conference included social engagements at the Long Beach Convention Center, the Long Beach Museum of Art, and the world-famous Long Beach Aquarium. Long Beach's openly gay Mayor (now U.S. Congressperson) **Robert Garcia** presented the opening keynote address.

The It Gets Better Project continued to prioritize **It Gets Better Español**, its Spanish-language accessibility initiative. In December, our friends at **Converse** made a three-year commitment supporting our capacity building efforts to expand It Gets Better storytelling initiatives, educational programming, and global community building efforts to positively impact Spanish-speaking LGBTQ+ youth audiences here in the US and around the world. As part of this effort, the It Gets Better Project hosted its first Spanish-language summit **Cumbre en Español**, a groundbreaking two-day event in Miami, FL for It Gets Better Global Affiliates representing Argentina, Brazil, Chile, Colombia, Guatemala, Spain, Hungary, Mexico, Panama and Peru. Representatives and local partners gathered to build relationships and deepen their understanding of the global LGBTQ+ movement. In addition to It Gets Better Project staff and affiliate members, representatives from the **AIDS Healthcare Foundation, Article 19, General Consulate of Mexico in Miami, Homosensual, Meta**, and the **University of Miami** were in attendance.

IOLA FOUNDATION DBA: IT GETS BETTER PROJECT

NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements is as follows:

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting.

Revenue and Revenue Recognition

IOLA Foundation recognizes contributions when cash, securities or other assets; an unconditional promise to give; or notification of a beneficial interest is received. Conditional promises to give - 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. As of December 31, 2022, IOLA Foundation did not have any contributions categorized as conditional.

A portion of IOLA Foundation's revenue is derived from cost-reimbursable federal, state, and local 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 IOLA Foundation has incurred expenditures in compliance with specific contract or grant provisions.

If amounts are received prior to incurring qualifying expenditures, such amounts are reported as refundable advances in the statement of financial position. IOLA Foundation received cost-reimbursable grants that were earned as expenses were incurred and are reported in the Statement of Activities. IOLA Foundation did not receive advance payments, grants, or contracts during the current fiscal year.

Net Assets

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 therein are classified and reported as follows:

Without Donor Restrictions. Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.

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.

IOLA FOUNDATION DBA: IT GETS BETTER PROJECT

NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

Concentration of Credit Risks

IOLA Foundation places its temporary cash investments in high-credit, quality financial institutions. At times, such accounts may be in excess of the Federal Deposit Insurance Corporation insurance limit. IOLA Foundation has not incurred losses related to these investments.

Property and Equipment

Property and equipment are recorded at cost if purchased or at fair value at the date of donation if donated. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets. Maintenance and repair costs are charged to expense as incurred. Property and equipment are capitalized if the cost of an asset is greater than or equal to one thousand dollars and the useful life is greater than one year.

Reclassification

Certain accounts from the December 31, 2021 financial statements have been reclassified for comparative purposes to conform to the December 31, 2022 presentation.

Income Taxes

IOLA Foundation is exempt from taxation under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d.

Generally accepted accounting principles provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by IOLA Foundation in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. IOLA Foundation's returns are subject to examination by federal and state taxing authorities, generally for three and four years, respectively, after they are filed.

Use of 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 reported amounts of assets, liabilities, revenues, and expenses as of the date and for the period presented. Actual results could differ from those estimates.

Comparative Totals

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 accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with IOLA Foundation's financial statements for the year ended December 31, 2021, from which the summarized information was derived.

continued

IOLA FOUNDATION DBA: IT GETS BETTER PROJECT

NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

Subsequent Events

Management has evaluated subsequent events through June 6, 2023, the date which the financial statements were available for issue. No events or transactions have occurred during this period that appear to require recognition or disclosure in the financial statements.

3. Liquidity and Availability of Resources

IOLA Foundation receives contributions and sponsorships from a variety of sources. These funds are used exclusively to support our program events, operations and to meet cash needs for our general expenditures. IOLA Foundation manages its liquidity by following three guiding principles: (1) operating within a prudent range of financial soundness and stability; (2) maintaining adequate liquid assets to fund near-term operating needs; and, (3) maintaining enough reserves to provide reasonable assurance that long-term obligations will be discharged.

IOLA Foundation strives to maintain financial liabilities at a minimum of 30 days operating expenses and targets a year-end balance of reserves of unrestricted, undesignated net assets to meet 60 to 90 days of expected expenditures. To achieve these targets IOLA Foundation forecasts its future cash flows and monitors its liquidity and reserves quarterly. During the year ended December 31, 2022, the level of liquidity and reserves were managed within expectations.

As of December 31, 2022, the following financial assets could readily be made available within one year of the statement of financial position date to meet general expenditures:

Cash	\$ 1,906,264
Investments	539,993
Accounts receivable, net	246,151
Less: Board designated net assets	(300,000)
Donor designated net assets	<u>(1,138,324)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 1,254,084</u>

4. Investments

Investments at December 31, 2022 are summarized as follows:

Cash	\$306,494
Equities	156,890
Money market	<u>76,609</u>
	<u>\$539,993</u>

continued

IOLA FOUNDATION DBA: IT GETS BETTER PROJECT

NOTES TO FINANCIAL STATEMENTS

5. Fair Value Measurements

The table below presents the balances of assets measured at fair value at December 31, 2022 on a recurring basis:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Equities</u>				
Large blend	\$ 79,335	\$ -	\$ -	\$ 79,335
Large growth	50,280			50,280
Multi-cap growth	8,023			8,023
Multi-cap blend	7,441			7,441
Large value	6,648			6,648
Multi-cap value	<u>5,163</u>	<u> </u>	<u> </u>	<u>5,163</u>
	<u>156,890</u>	<u> </u>	<u> </u>	<u>156,890</u>
<u>Fixed income</u>				
Securities	198,418			198,418
Muni national short	59,323			59,323
Corporate bond	<u>48,753</u>	<u> </u>	<u> </u>	<u>48,753</u>
	<u>306,494</u>	<u> </u>	<u> </u>	<u>306,494</u>
Total	<u><u>\$463,384</u></u>	<u><u>\$ </u></u>	<u><u>\$ </u></u>	<u><u>\$463,384</u></u>

The fair value of equities and fixed income have been measured on a recurring basis using quoted prices for identical assets in active markets (Level 1 inputs).

6. Property and Equipment

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

Software	\$ 2,250
Equipment	12,802
Computers	46,872
Furniture	6,625
Less: accumulated depreciation	<u>(46,147)</u>
	<u>\$ 22,402</u>

Depreciation expense for the year ended December 31, 2022 was \$12,081.

7. Deferred Revenue

Deferred revenue consists principally of advanced funds from Corporations' donation for IOLA Foundation to build and support a global network of affiliates. The IOLA Foundation receives payments in advance for activities to be provided in future years. These funds are reported as deferred revenue until such year as the activities are performed. Deferred for the year ended December 31, 2022 were \$150,000.

continued

IOLA FOUNDATION DBA: IT GETS BETTER PROJECT

NOTES TO FINANCIAL STATEMENTS

8. Net Assets With Donor Restrictions

IOLA Foundation's donor restricted net assets as of December 31, 2022 consist of the following:

Education programs	\$ 937,844
Media programs	150,480
Global programs	<u>50,000</u>
	<u>\$1,138,324</u>

For the year ended December 31, 2022, net assets released from purpose restrictions were \$1,601,682.

In 2020, the IOLA Foundation established a strategic plan that prioritized 1) refining and expanding existing programming, 2) strengthening engagement and deepening the relationship with LGBTQ+ youth ages 13-18, and 3) improving organizational infrastructure and governance to support program expansion thus furthering the reach of the It Gets Better message.

With an exceptional financial return in 2021, the IOLA Foundation's Board of Directors directed a significant portion of unrestricted assets to ensure the success of the strategic plan, including investments in It Gets Better programming and staff and Board member training.

The remaining allocation at December 31, 2022 is as follows:

Media programs	<u>\$300,000</u>
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The Iola Foundation continues to secure significant, restricted funding in support of its programs and services. These funds are recorded as revenue within the fiscal year they are secured; however, it is not uncommon for restricted funding to be dispersed across multiple fiscal years. This can present an operating deficit when matching current year expenditures with current year revenue. Further, one major source of restricted, multi-year funding, motivated by a commercial co-venture, fluctuates based on the engagement of an external customer base. It is not uncommon to experience varying returns year-over-year from this partner, which can create the perception that revenue may not be on pace with expenditures.