TRANSLIFELINE

FINANCIAL STATEMENTS

December 31, 2021

(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2020)

CROSBY & KANEDA

Certified Public Accountants
for Nonprofit Organizations

TRANSLIFELINE

Contents

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Certified Public Accountants
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Translifeline
Oakland, California

Opinion

We have audited the accompanying financial statements of Translifeline (the Organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, cash flows and functional expenses, 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 Translifeline as of December 31, 2021, and the changes in 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.

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 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 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

We have previously audited the Organization's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 14, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Crosby + Kaneda CPAs LLP

Oakland, California
June 13, 2022

TRANSLIFELINE

Statement of Financial Position
December 31, 2021
(With Comparative Totals as of December 31, 2020)

	2021	2020
Assets		
Assets		
Cash and cash equivalents	$ 2,670,115	$ 1,616,116
Contributions receivable	34,301	158,540
Investments (Note 3)	1,552,148	968,465
Prepaid expenses and deposits	42,905	29,382
Total Assets	$ 4,299,469	$ 2,772,503
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 69,088	$ 31,829
Grants payable	133,617	59,070
Accrued vacation	136,052	88,975
PPP loan	-	200,488
Total Liabilities	338,757	380,362
Net Assets		
Without donor restrictions	3,850,058	2,275,775
With donor restrictions (Note 8)	110,654	116,366
Total Net Assets	3,960,712	2,392,141
Total Liabilities and Net Assets	$ 4,299,469	$ 2,772,503

TRANSLIFELINE

Statement of Activities
For the Year Ended December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	Without Donor Restrictions	With Donor Restrictions	Total 2021	Total 2020
Support and Revenue				
Individual contributions	$ 2,021,898	$ 41,140	$ 2,063,038	$ 1,491,641
Foundation and corporate grants	2,420,319	290,963	2,711,282	1,706,945
Investment activity, net (Note 3)	20,778		20,778	4,086
Other	911		911	599
Paycheck Protection Program (Note 5)	200,488		200,488	-
Support provided by expiring time and purpose restrictions	337,815	(337,815)	-	
Total Support and Revenue	5,002,209	(5,712)	4,996,497	3,203,271
Expenses				
Program	2,474,026		2,474,026	1,525,452
Management and general	513,221		513,221	436,182
Fundraising	440,679		440,679	287,437
Total Expenses	3,427,926	-	3,427,926	2,249,071
Change in Net Assets	1,574,283	(5,712)	1,568,571	954,200
Net assets, beginning of year	2,275,775	116,366	2,392,141	1,437,941
Net assets, end of year	$ 3,850,058	$ 110,654	$ 3,960,712	$ 2,392,141

TRANSLIFELINE

Statement of Cash Flows
For the Year Ended December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	2021	2020
Cash flows from operating activities:		
Change in net assets	$ 1,568,571	$ 954,200
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Donated stock	(30,718)	(11,411)
Investment activity	(20,778)	(4,086)
PPP forgiveness	(200,488)	-
Change in assets and liabilities:		
Contributions receivable	124,239	62,192
Prepaid expenses and deposits	(13,523)	(13,463)
Accounts payable and accrued expenses	37,259	(7,052)
Grants payable	74,547	36,512
Accrued vacation	47,077	58,960
Net cash provided (used) by operating activities	1,586,186	1,075,852
Cash flows from investing activities:		
Proceeds from sale of investments	2,099,855	-
Purchase of investments	(2,632,042)	(500,000)
Net cash provided (used) by investing activities	(532,187)	(500,000)
Cash flows from financing activities:		
Proceeds from PPP loan	-	200,488
Net cash provided (used) by financing activities	-	200,488
Net change in cash and cash equivalents	1,053,999	776,340
Cash and cash equivalents, beginning of year	1,616,116	839,776
Cash and cash equivalents, end of year	$ 2,670,115	$ 1,616,116
Supplemental information		
Donated stock	$ 30,718	$ 11,411

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Statement of Functional Expenses
For the Year Ended December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	Program	Management and General	Fundraising	Total 2021	Total 2020
Salaries	$ 1,487,692	$ 316,357	$ 223,247	$ 2,027,296	$ 1,264,324
Employee benefits	174,006	46,600	15,599	236,205	159,642
Payroll taxes	123,906	20,192	19,957	164,055	100,851
Total Personnel	1,785,604	383,149	258,803	2,427,556	1,524,817
Grants	445,959	-	-	445,959	423,829
Professional services	100,690	64,884	84,119	249,693	64,599
Advertising and promotion	963	20	5	988	5,520
Supplies and office expenses	14,515	8,325	63,854	86,694	61,965
Information technology	47,629	17,746	16,556	81,931	53,953
Occupancy	36,513	14,782	14,014	65,309	74,727
Travel and meals	9,335	3,186	988	13,509	12,162
Conferences and meetings	901	179	142	1,222	52
Insurance	11,494	3,339	771	15,604	7,295
Training and education	17,122	-	618	17,740	12,000
Dues, fees and other	3,301	17,611	809	21,721	8,152
Total Expenses	$ 2,474,026	$ 513,221	$ 440,679	$ 3,427,926	$ 2,249,071

Notes to the Financial Statements
For the Year Ended December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

NOTE 1: NATURE OF ACTIVITIES

Translifeline (the Organization) is a California nonprofit public benefit corporation, founded in 2014. Its mission is to connect trans people to the community, resources, and support they need to survive and thrive, stabilizing the lives of trans people and building a resilient trans community through trans led direct services. Trans Lifeline's Hotline is there to care for trans people through moments of crisis and suicidality. Beyond immediate crisis, their Micrograndts program provides low-barrier grants to people in need of legal name changes and updated government ID's, as well as specialized support for trans people who are incarcerated or undocumented. By providing care, Trans Lifeline identifies the trans community's most pressing needs and brings that expertise to the broad movement for LGBT equality.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net assets without donor restrictions – are resources available to support operations. The only limits on the use of the net assets are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions – are resources that are restricted by a donor for use for a particular purpose or in a particular period. Some donor restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor restrictions are perpetual in nature; there were no restrictions of this nature as of December 31, 2021.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of building or equipment (or less commonly, the contribution of those net assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the Organization, unless the donor provides more specific directions about the period of its use.

Accounting for Contributions

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless the contributed assets are specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Contributions Receivable

Contributions receivable including pledges and grants receivable are unconditional promises to give that are recognized as contributions when the promise is received. Contributions receivable that are expected to be collected in less than one year are reported at net realizable value. Contributions receivable that are expected to be collected in more than one year are recorded at fair value at the date of promise. That fair value is computed using a present value technique applied to anticipated cash flows. The Organization considers all contributions receivable to be fully collectible at December 31, 2021. Accordingly, no allowance for doubtful accounts was deemed necessary. If amounts become uncollectible, they are charged to expense in the period in which that determination is made.

Accounting for Revenue

The Organization recognizes revenue as performance obligations are satisfied.

Revenue is recognized over time for cost reimbursement contracts as eligible expenses are incurred if other conditions of the contract are satisfied. Revenue from agreements that include milestones and milestone payments are recognized over time as milestones are reached. If the Organization's efforts are expended evenly throughout the performance period, the Organization may recognize revenue on a straight-line basis over such a period.

Revenue is recognized at a point in time when goods or services are provided to customers and the Organization is not required to provide additional goods or services or if the above criteria are not met. As a practical expedient the Organization disregards the effects of potential financing components if the period between payment and performance is one year or less.

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless related to a donor specified restriction for a particular purpose or future period.

Income Taxes

The Internal Revenue Service and the California Franchise Tax Board have determined that the Organization is exempt from federal and state income taxes under IRC 501(c)(3) and California RTC 23701(d). The Organization has evaluated its current tax positions as of December 31, 2021 and is not aware of any significant uncertain tax positions for which a reserve would be necessary. The Organization's tax returns are generally subject to examination by federal and state taxing authorities for three and four years, respectively, after they are filed. The Organization's 2020 tax returns have been selected for examination. No reasonable estimate of amount due as a result of this examination, if any, is available and the Organization has not been notified as to any amount due.

Contributed Services

Contributed services are reflected in the financial statements at the fair value of the services received only 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. There were no contributed services that met the criteria for recognition for the year ended December 31, 2021.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all money market funds and other highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

Concentration of Credit Risk

At times, the Organization may have deposits in excess of federally insured limits. The risk is managed by maintaining all deposits in high quality financial institutions.

Property and Equipment

Property and equipment purchased by the Organization is recorded at cost. The Organization capitalizes all expenditures for property and equipment over $2,500; the fair value of donated fixed assets is similarly capitalized. Depreciation is computed using the straight-line method over the estimated useful lives on the property and equipment or the related lease terms.

Expenditures for major renewals and betterments that extend the useful lives of the property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. Management reviews long-lived assets for impairment when circumstances indicate the carrying amount of the asset may not be recoverable. The Organization had no property and equipment that met this capitalization policy at December 31, 2021.

Expense Recognition and Allocation

The cost of providing the Organization’s programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions using a reasonable allocation method that is consistently applied as follows:

Salaries and wages, benefits, and payroll taxes are allocated based on monthly estimates of how employees are spending their time working on various programs, management and general, and fundraising activities. This information is used to calculate the Organization’s monthly personnel cost ratio, which is the ratio of each program’s personnel costs to the overall organizational personnel costs.

Costs that cannot be directly identified are allocated based on the personnel cost ratio.

Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Organization generally does not conduct fundraising activities in conjunction with its other activities. In the few cases in which it does, such as when the annual report or donor acknowledgments contain requests for contributions, joint costs have been allocated between fundraising and management and general expenses in accordance with standards for accounting for costs of activities that include fundraising. Additionally, advertising costs are expensed as incurred. All expenses and net losses are reported as decreases in net assets without donor restrictions.

Prior Year Summarized Information

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 GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

Reclassifications

Certain accounts in the prior year's summarized information have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

NOTE 3: INVESTMENTS

Investments are stated at fair value and consist of the following as of December 31:

	2021	2020
Cash and cash equivalents	$ 5,105	$ 957,327
Mutual funds and ETF's	1,523,695	-
Domestic equities	23,348	11,138
Total	$ 1,552,148	$ 968,465

Investment activity consisted of the following at December 31:

	2021	2020
Interest and dividends	$ 27,205	$ 58
Realized and unrealized gain/(loss)	(6,427)	4,028
Total	$ 20,778	$ 4,086

NOTE 4: FAIR VALUE MEASUREMENTS

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Organization determines the fair values of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 - Inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the assets or liability.

Fair value of investments measured on recurring basis were as follows as of December 31, 2021.

	Level 1
Cash and cash equivalents	$ 5,105
Mutual funds and ETF's:	
Fixed income	716,047
Equities	706,493
Real estate	101,155
Domestic equities	23,348
Total	$ 1,552,148

NOTE 5: PAYCHECK PROTECTION PROGRAM (PPP) LOAN

The Organization received a Paycheck Protection Program (PPP) loan of $200,488 bearing interest of 1% with a maturity date of May 1, 2022 which it accounts for under FASB 470. Based on the guidance in *FASB ASC 405-20-40-1*, the proceeds from the loan will remain recorded as a liability until either (1) the loan is, in part or wholly, forgiven and the Organization has been "legally released or (2) the Organization pays off the loan. During the year ended December 31, 2021, the Organization received notice of full forgiveness of the PPP loan funding totaling $200,488.

NOTE 6: COMMITMENTS

Operating Leases

The Organization is party to a lease in Oakland, California for office space that expires on December 14, 2023. Future minimum operating lease payments are as follows for years ending December 31:

2022	$ 67,770
2023	63,826
Total	$ 131,596

Rent for the years ended December 31, 2021 and 2020 was $65,308 and $66,375, respectively.

NOTE 7: CONTINGENCIES

Compliance with Donor Restrictions

Grant awards require the fulfillment of certain conditions as set forth in the provisions of the grants. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization deems this contingency remote since by accepting the grants and their terms, it has accommodated the objectives of the Organization to the provisions of the grants. The Organization's management is of the opinion that the Organization has complied with the terms of all grants.

Notes to the Financial Statements
For the Year Ended December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

NOTE 8: NET ASSETS WITH DONOR RESTRICTIONS

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

	2021	2020
Hotline	$ 9,036	$ 52,866
Development	-	36,000
Microgrants	101,618	27,500
Total	$ 110,654	$ 116,366

NOTE 9: LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2021 are:

Cash and cash equivalents	$ 2,670,115
Contributions receivable	34,301
Investments	1,552,148
Less purpose-restricted net assets	(110,654)
Total	$ 4,145,910

As part of the Organization's liquidity management plan, the Organization maintains funds in excess of daily requirements in cash and cash equivalents and short-term investments.

NOTE 10: SUBSEQUENT EVENTS

The Organization has evaluated subsequent events and has concluded that as of June 13, 2022, the date that the financial statements were available to be issued, there were no significant subsequent events to disclose beyond the following:

Coronavirus

In March 2020 the Organization and the area it operates in was subject to a public health order related to COVID-19 coronavirus which affected activities of the Organization. As of the date these financials were available to be issued this public health matter had not fully resolved which may result in continued impacts to the Organization's operations.