TRANSLIFELINE

FINANCIAL STATEMENTS

December 31, 2023

(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2022)

CROSBY & KANEDA
Certified Public Accountants
for Nonprofit Organizations

TRANSLIFELINE

Contents

CROSBY & KANEDA

Certified Public Accountants
for Nonprofit Organizations

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
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, 2023, 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, 2023, 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 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 5, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Crosby + Kaneda CPAs LLP

Alameda, California
August 22, 2024

TRANSLIFELINE

Statement of Financial Position
December 31, 2023
(With Comparative Totals as of December 31, 2022)

	2023	2022
Assets		
Assets		
Cash and cash equivalents	$ 987,058	$ 1,928,035
Investments (Note 3)	911,358	1,293,523
Contributions receivable	319,832	134,278
Property and equipment	-	2,440
Prepaid expenses and deposits	51,041	49,761
Right of use asset - operating	-	61,467
Total Assets	$ 2,269,289	$ 3,469,504
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 84,630	$ 154,911
Grants payable	60,000	38,060
Accrued vacation	153,542	163,253
Operating lease liability	-	62,409
Total Liabilities	298,172	418,633
Net Assets		
Without donor restrictions	1,884,237	2,942,534
With donor restrictions (Note 6)	86,880	108,337
Total Net Assets	1,971,117	3,050,871
Total Liabilities and Net Assets	$ 2,269,289	$ 3,469,504

TRANSLIFELINE

Statement of Activities
For the Year Ended December 31, 2023
(With Comparative Totals for the Year Ended December 31, 2022)

	Without Donor Restrictions	With Donor Restrictions	Total 2023	Total 2022
Support and Revenue				
Individual contributions	$ 2,634,852	$ 52,748	$ 2,687,600	$ 1,698,471
Foundation and corporate grants	1,640,022	189,880	1,829,902	2,978,551
Investment activity, net (Note 3)	103,145		103,145	(258,625)
Interest and other	33,735		33,735	10,856
Support provided by expiring time and purpose restrictions	264,085	(264,085)	-	-
Total Support and Revenue	4,675,839	(21,457)	4,654,382	4,429,253
Expenses				
Program	4,063,585		4,063,585	3,868,101
Management and general	953,175		953,175	867,159
Fundraising	717,376		717,376	603,834
Total Expenses	5,734,136	-	5,734,136	5,339,094
Change in Net Assets	(1,058,297)	(21,457)	(1,079,754)	(909,841)
Net assets, beginning of year	2,942,534	108,337	3,050,871	3,960,712
Net assets, end of year	$ 1,884,237	$ 86,880	$ 1,971,117	$ 3,050,871

TRANSLIFELINE

Statement of Cash Flows
For the Year Ended December 31, 2023
(With Comparative Totals for the Year Ended December 31, 2022)

	2023	2022
Cash flows from operating activities:		
Change in net assets	$ (1,079,754)	$ (909,841)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	2,440	459
Investment activity, net	(103,145)	258,625
Change in assets and liabilities:		
Contributions receivable	(185,554)	(99,977)
Prepaid expenses and deposits	(1,280)	(6,856)
Accounts payable and accrued expenses	(70,281)	85,823
Grants payable	21,940	(95,557)
Accrued vacation	(9,711)	27,201
Operating lease liability and right of use asset	(942)	942
Net cash provided (used) by operating activities	(1,426,287)	(739,181)
Cash flows from investing activities:		
Purchase of property and equipment	-	(2,899)
Proceeds from sale of investments	749,159	-
Purchase of investments	(263,849)	-
Net cash provided (used) by investing activities	485,310	(2,899)
Net change in cash and cash equivalents	(940,977)	(742,080)
Cash and cash equivalents, beginning of year	1,928,035	2,670,115
Cash and cash equivalents, end of year	$ 987,058	$ 1,928,035
Supplemental information		
Donated stock	$ 15,160	$ -

See Notes to the Financial Statements

TRANSLIFELINE

Statement of Functional Expenses
For the Year Ended December 31, 2023
(With Comparative Totals for the Year Ended December 31, 2022)

	Program	Management and General	Fundraising	Total 2023	Total 2022
Salaries	$ 2,617,690	$ 619,036	$ 328,152	$ 3,564,878	$ 3,087,368
Employee benefits	421,680	92,178	35,192	549,050	371,425
Payroll taxes	210,462	48,282	26,131	284,875	250,164
Total Personnel	3,249,832	759,496	389,475	4,398,803	3,708,957
Grants	489,197	-	-	489,197	678,519
Professional services	151,513	110,937	76,843	339,293	492,500
Advertising and promotion	2,069	1,170	19,632	22,871	6,675
Supplies and office expenses	14,124	3,654	3,650	21,428	10,355
Processing fees	-	-	137,379	137,379	68,305
Information technology	79,423	37,886	39,103	156,412	178,533
Occupancy	47,615	21,920	13,403	82,938	75,431
Travel and meals	3,762	5,764	25,094	34,620	65,482
Conferences and meetings	1,529	1,770	9,047	12,346	5,473
Depreciation	2,127	203	110	2,440	459
Insurance	3,007	2,719	796	6,522	14,048
Training and education	6,337	1,331	257	7,925	28,455
Other	13,050	6,325	2,587	21,962	5,902
Total Expenses	$ 4,063,585	$ 953,175	$ 717,376	$ 5,734,136	$ 5,339,094

Notes to the Financial Statements
For the Year Ended December 31, 2023
(With Comparative Totals for the Year Ended December 31, 2022)

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. Translifeline's Hotline is there to care for trans people through moments of crisis and suicidality. Beyond immediate crisis, their Microgrants 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, Translifeline 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, 2023.

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, 2023. 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.

Accounts Receivable

Accounts receivable are unsecured non-interest bearing trade receivables. The Organization uses historical loss information adjusted for management's expectations about current and future economic conditions and the aging of receivables relative to expected payment dates as the basis to determine expected credit losses. If amounts become uncollectible, they are charged to the valuation allowance for credit losses if any, with any excess amounts 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. In addition to the activity on the financials the Organization has an agreement with a counterparty with a present value of approximately $100,000 which the Organization has elected to recognize as payment is received given uncertainty with respect to collection at the time the activity giving rise to the receivable occurred and certain other uncertainties.

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, 2023 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, 2023.

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.

Property and Equipment

Property and equipment purchased by the Organization is recorded at cost. The Organization capitalizes all expenditures for property and equipment over $5,000; 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. As of December 31, 2023, all property and equipment was fully depreciated and no longer in use, obsolete or disposed of.

Leases

The Organization evaluates all contracts to determine if they contain a lease. For leases with terms greater than 12 months, the Organization records a right-of-use asset and lease obligation at the present value of lease payments over the term of the lease. The Organization expenses total lease costs on a straight-line basis over the related lease term. The Organization has elected to exclude leases that (a) have a lease term of 12 months or less and (b) do not contain a reasonably certain purchase option. The Organization has elected to combine non-lease components with related lease components unless non-lease components are billed separately. As the Organization's leases do not generally provide a readily determinable implicit interest rate, the Organization uses the risk-free rate commensurate with the respective terms of the leases to discount the lease payments. For the year ended December 31, 2023 the Organization allowed it prior lease to expire and did not renew it. The Organization had no other material leases with terms greater than 12 months and no other material short-term lease expense.

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, 2022, from which the summarized information was derived.

Recent Account Pronouncements

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which replaces the probable incurred loss impairment methodology in current GAAP with a methodology that reflects expected credit losses on financial instruments and other commitments to extend credit. In November 2019, the FASB issued ASU No. 2019-10 which delayed the effective date of ASU No. 2016-13. The adoption of this update did not have a material impact on the Organization's financial statements.

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.

Subsequent Events

The Organization has evaluated subsequent events and has concluded that as of August 22, 2024, the date that the financial statements were available to be issued, there were no significant subsequent events to disclose.

NOTE 3: INVESTMENTS

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

	2023	2022
Cash and cash equivalents	$ 1,749	$ 1,579
REIT's	10,222	-
Mutual funds and ETF's	899,387	1,291,944
Total	$ 911,358	$ 1,293,523

Investment activity consisted of the following at December 31:

	2023	2022
Interest and dividends	$ 29,112	$ 30,816
Realized and unrealized gain/(loss)	74,033	(289,441)
Total	$ 103,145	$ (258,625)

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 value 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, 2023.

	Level 1
Cash and cash equivalents	$ 1,749
REIT's	10,222
Mutual funds and ETF's:	
Fixed income	416,104
Equities	426,231
Real estate	57,052
Total	$ 911,358

NOTE 5: 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.

NOTE 6: NET ASSETS WITH DONOR RESTRICTIONS

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

	2023	2022
Hotline	$ -	$ 63,609
Time	61,880	-
Communications	-	12,098
Advocacy	20,000	-
Microgrants	5,000	32,630
Total	$ 86,880	$ 108,337

NOTE 7: RETIREMENT PLAN

The Organization has a defined contribution retirement plan (the Plan) under section 403(b) of the Internal Revenue Code. The Organization is not required to make contributions to the Plan. During the years ended December 31, 2023 and 2022, the Organization made contributions to the plan totaling $42,815 and $17,622 respectively.

NOTE 8: CONCENTRATIONS

Concentration of Credit Risk

At times, the Organization may have deposits in excess of federally insured limits. As of December 31, 2023, funds in excess of federally insured limits were approximately $346,000.

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, 2023 are:

Cash and cash equivalents	$ 987,058
Contributions receivable	319,832
Investments	911,358
Less purpose-restricted net assets	(25,000)
Total	$ 2,193,248

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.