Point of Pride

**POINT OF PRIDE**

**FINANCIAL STATEMENTS WITH INDEPENDENT AUDITORS' REPORT**

**As of and For**

**YEAR ENDED DECEMBER 31, 2023**

MILLER CPA GROUP, P.C.
AN AUDITING AND CONSULTING FIRM

**POINT OF PRIDE**
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**For the Year Ended December 31, 2023**


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MILLER CPA GROUP, P.C.
AN AUDITING AND CONSULTING FIRM

# INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of Point of Pride

***Opinion***

We have audited the accompanying financial statements of Point of Pride (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, 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 Point of Pride as of December 31, 2023, 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 Point of Pride 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 Point of Pride'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 Point of Pride'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 Point of Pride'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.

Miller CPA Group, P.C.

Carlsbad, California
April 2, 2025

**POINT OF PRIDE**
**STATEMENT OF FINANCIAL POSITION**
**December 31, 2023**

| | |
|---|---|
| **Assets** | |
| **Current Assets** | |
| Cash | $ 2,380,441 |
| **Total Assets** | $ 2,380,441 |
| **Liabilities and Net Assets** | |
| **Liabilities** | |
| Accounts payable and accrued expenses | $ 44,350 |
| Awards payable | 121,603 |
| **Total Liabilities** | $ 165,953 |
| **Net Assets** | |
| Without donor restrictions | $ 2,213,888 |
| With donor restrictions | 600 |
| **Total Net Assets** | 2,214,488 |
| **Total Liabilities and Net Assets** | $ 2,380,441 |

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

**POINT OF PRIDE**
**STATEMENT OF ACTIVITIES**
**For the Year Ended December 31, 2023**

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|---|---|---|
| **Support and Revenue** | | | |
| Contributions | $ 2,629,526 | $ - | $ 2,629,526 |
| Other income | 21,237 | - | 21,237 |
| **Total Support and Revenue** | 2,650,763 | - | 2,650,763 |
| **Expenses** | | | |
| Program services | 847,810 | - | 847,810 |
| Supporting services | | | |
| Management and general | 109,941 | - | 109,941 |
| Fundraising | 35,778 | - | 35,778 |
| **Total Expenses** | 993,529 | - | 993,529 |
| **Change in Net Assets** | 1,657,234 | - | 1,657,234 |
| **Net Assets, Beginning** | 556,654 | 600 | 557,254 |
| **Net Assets, Ending** | $ 2,213,888 | $ 600 | $ 2,214,488 |

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

**POINT OF PRIDE**
**STATEMENT OF FUNCTIONAL EXPENSES**
**For the Year Ended December 31, 2023**

| | Program Expenses | Management and General | Fundraising | Total |
|---|---|---|---|---|
| Direct program expense | $ 438,802 | $ - | $ - | $ 438,802 |
| Salaries and wages | 74,790 | 58,170 | 33,240 | 166,200 |
| Payroll taxes | 5,711 | 4,442 | 2,538 | 12,691 |
| Employee benefits | - | 6,300 | - | 6,300 |
| Professional fees | - | 4,910 | - | 4,910 |
| Advertising and marketing | 5,316 | - | - | 5,316 |
| Office expenses | 6,949 | 2,830 | - | 9,779 |
| Information technology | - | 6,403 | - | 6,403 |
| Event expenses | 316,242 | - | - | 316,242 |
| Miscellaneous | - | 26,886 | - | 26,886 |
| **Total Expenses** | $ 847,810 | $ 109,941 | $ 35,778 | $ 993,529 |

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

**POINT OF PRIDE**
**STATEMENT OF CASH FLOWS**
**For the Year Ended December 31, 2023**

| | | |
|---|---|---|
| **Cash Flows From Operating Activities** | | |
| **Change in net assets** | $ | 1,657,234 |
| Adjustments to reconcile change in net assets to net cash from operating activities: | | |
| Increase (decrease) in operating liabilities | | |
| Accounts payable and accrued expenses | | 101,193 |
| Awards payable | | 44,350 |
| **Net Cash Provided by Operating Activities** | | 1,802,777 |
| **Net Change in Cash** | | 1,802,777 |
| **Cash, Beginning** | | 577,665 |
| **Cash, Ending** | $ | 2,380,442 |

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

## NOTE 1. ORGANIZATION

Point of Pride (the Organization) is a nonprofit public benefit organization established in 2016. Point of Pride's mission is to help the most vulnerable members of the community feel seen and supported through access to life-saving health and wellness services. The Organization's principal office is located in Eugene, Oregon.

The following is a brief description of the Organization's programs:

- Annual Trans Surgery Fund: provides direct financial assistance to trans people who cannot afford gender-affirming surgery.
- HRT Access Fund: provides direct financial assistance to trans folks who cannot afford their gender-affirming hormone replacement therapy (also known as "HRT") This program trans people living in areas of the country where competent care is difficult to access, either due to geographical distance, or legislative barriers, or both.
- Electrolysis Support Fund: provides financial assistance towards permanent hair removal services (including electrolysis and laser hair removal) for trans people who cannot otherwise afford them. This program prioritizes femmes of color, in which access to hair removal is often a vital safety measure.
- Thrive Fund: provides financial assistance towards a variety of necessary, affirming healthcare needs, prioritizing healthcare purchases or services that happen one time or have clearly defined start and end dates. This program also prioritizes trans people facing intersecting healthcare needs or gaps in existing structures.
- The Organization also provides free chest binders and femme shapewear garments to trans people who cannot afford or safely access them. Applications are first-come, first-served and fulfilled on a rolling basis. The Organization ships garments to people in all 50 states and around the world.

## NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The financial statements of the Organization have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) Audit and Accounting Guide for Not-for-Profit Organizations (the Guide).

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

- Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.
- Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions may be perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

## NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Statement Presentation (continued)

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing services and interest earned. Nonoperating activities are limited to other activities considered to be of a more unusual or nonrecurring nature.

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

Fair Value Measurement

Fair value is defined as the exchange price that would be received for an asset or paid for a liability in the principal or most advantageous market. The Organization applies fair value measurement to assets and liabilities that are required to be recorded at fair value under generally accepted accounting principles.

FASB ASC 820 establishes a three-tier hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs and to establish the classification of fair value measurement for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

The standard describes a three-tier hierarchy of inputs that may be used to measure fair value:

Level 1 - Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the same term of the financial instrument.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

## NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurement (continued)

Due to the short-term nature of cash, accounts receivable, other assets, accounts payable and accrued expenses, fair value approximates carrying value.

Accounting Pronouncements Recently Adopted

*Accounting Standards Update (ASU) 2016-02, Leases*

In February 2016, the FASB issued ASU 2016-02, Leases (ASC Topic 842) to increase transparency and comparability among organizations related to their leasing arrangements. The update requires lessees to recognize most leases on their statements of financial position as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Topic 842 also requires additional disclosure of key quantitative and qualitative information for leasing arrangements. Similar to the previous lease guidance, the update retains a distinction between finance leases (similar to capital leases in Topic 840, Leases) and operating leases, with classification affecting the pattern of expense recognition in the statements of activities.

The Organization adopted ASU-2016-02 effective January 1, 2023. Under ASU 2016-02, the Organization has elected to implement certain practical expedients as follows:

- The accounting policy election to account for lease and non-lease components in its contracts as a single lease component for its real estate, vehicle, and equipment asset classes. The non-lease components typically represent additional services transferred to the Organization, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.
- The short-term lease exception in which lessees may elect to not apply the lease accounting guidance for short-term leases. A short-term lease is a lease that, at the commencement date, has a lease term of twelve months or less and does not include an option to purchase the underlying asset that the lessee is reasonably certain to exercise.
- The accounting policy election for all leases, which permits a non-public business entity lessee to use a risk-free discount rate for the lease, determined using a periodic comparable with that of the lease term.

*Accounting Standards Update 2020-07, Not-for-Profit Entities: Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*

In September 2020, the FASB issued ASU 2020-07, Not-for-Profit Entities (ASC Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. This ASU is meant to improve generally accepted accounting principles (GAAP) by increasing the transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. The amendments in this update address certain concerns about the lack of transparency about the measurement of contributed nonfinancial assets recognized by NFPs, as well as the amount of those contributions used in an NFP's programs and other activities. An NFP will be required to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets.

## NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting Pronouncements Recently Adopted (continued)

*Accounting Standards Update 2020-07, Not-for-Profit Entities: Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (continued)*

The amendments address presentation and disclosure of contributed nonfinancial assets. The term nonfinancial asset includes fixed assets (such as land, buildings, and equipment), use of fixed assets or utilities, materials and supplies, intangible assets, services, and unconditional promises of those assets. An NFP will be required to disclose a disaggregation of the amount of contributed nonfinancial assets recognized within the statement of activities by category that depicts the type of contributed nonfinancial assets and additional information for each category of contributed nonfinancial assets. The Organization adopted ASU 2020-07 effective January 1, 2023.

*Accounting Standards Update (ASU) 2016-13: Financial Instruments – Credit Losses (Topic 326)*

In June 2016, the FASB issued ASU 2016-13, Financial Instruments – Credit Losses (ASC Topic 326) that provides guidance on how to measure and report credit losses for financial instruments. The effective date for ASU 2016-13 depends on whether an entity has already adopted the amendments in Update 2016-13, which was issued in January 2019.

ASU 2016-13 replaces the incurred loss methodology with the current expected credit loss (CECL) model. Under the CECL model, management must also consider current conditions and reasonable and supportable forecasts of future events and circumstances, in addition to experience, to estimate expected credit losses for certain financial assets, including:

- Financing receivables (loans, for example)
- Held-to-maturity debt securities (available-for-sale debt securities guidance has been amended separately and there is no change to the accounting for trading debt securities)
- Receivables that result from revenue transactions (trade receivables)
- Lease receivables recognized by a lessor

Financial assets excluded from the scope of ASU 2016-13 include:

- Promises to give (pledges) of nonprofit entities
- Loans and receivables between entities under common control
- Defined contribution employee benefit plan loans

ASU 2016-13 provides no threshold for recognition of an impairment allowance. Therefore, organizations must also measure expected credit losses on assets that have a low risk of loss. As a result, trade receivables that are either current or not yet due (which may not require an allowance reserve under current GAAP) may have an allowance for expected credit losses under ASU 2016-13.

The CECL model allows management to select the most appropriate method for estimating its expected credit losses based on the nature of their organization’s financial assets. Common methods for estimating expected credit losses include the loss rate method, discounted cash flow method, and probability of default method.

## NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting Pronouncements Recently Adopted (continued)

*Accounting Standards Update (ASU) 2016-13: Financial Instruments – Credit Losses (Topic 326) (continued)*

Credit impairment will be recognized as an allowance for credit losses, rather than as a direct write-down of the financial asset.

The Organization adopted ASU 2016-13 effective January 1, 2023. Management evaluated the composition of the Organization's financial assets and determined there is no impact to the consolidated financial statements.

Contribution and Pledge Receivables

Contribution and pledge receivables represent unconditional promises to give and are reported at fair value by discounting the expected future pledge payments at the statement of financial position date. Pledges extending beyond one year are discounted to recognize the present value of the future cash flows. In subsequent years, this discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any. In addition, pledges are recorded net of an allowance.

An allowance for uncollectible contributions receivable is provided based upon management's judgment including such factors as prior giving history, type of contribution, and collection risk. Based on its prior experience with donors and grantors, management expects the contributions and grants receivable to be fully collectible. Accordingly, no allowance was considered necessary as of December 31, 2023.

Conditional promises to give are recognized when the conditions (e.g., barriers) on which they depend are substantially met.

Property and Equipment

The Organization capitalizes property and equipment at cost, while donations of property and equipment are recorded at their estimated fair values. Such donations are reported as without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Maintenance, repairs, and minor renewals are charged to operations as incurred. When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in income for the period.

## NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Leases

The Organization determines if an arrangement contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the organization obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Organization also considers whether its service arrangements include the right to control the use of an asset.

The Organization's right-of-use assets represent the right-of-use of the underlying assets for the lease term and the lease liabilities represent the Organization's obligation to make lease payments arising from the leases. The lease commencement date is when the asset is available for use and in possession of the Organization. Right-of-use assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term.

The Organization recognizes payments for certain leases as expense when incurred including short-term leases with a lease term of 12 months or less. Lease expense for operating lease payments is recognized on the statement of activities on a straight-line basis over the lease term. These leases are not included as lease liabilities or right-of-use assets on the statement of financial position.

Future lease payments may include fixed rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of the index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable they will be incurred.

The value of an option to extend or terminate a lease is reflected to the extent it is reasonably certain management will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Leases with an initial term of 12 months or less are not recorded on the statement of financial position as a right-of-use asset and lease obligation. For lease agreements entered into or modified after the adoption of ASC 842, lease and non-lease components are combined.

Finance lease assets (previously referred to as a capital lease before the adoption of ASU 2016-02) are depreciated on a straight-line basis over the lease term and are reported net on the statement of financial position. Interest expense associated with finance leases is recorded based on the incremental borrowing rate.

The Organization did not have any right-of-use leases for the year ended December 31, 2023

### Awards Payables

Awards payable represent amounts designated for program awards related to electrolysis and surgeries that have been approved but not yet disbursed as of the reporting date. These payables are recognized when the award commitments are made and will be settled upon completion of the required disbursement conditions.

## NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Revenue Recognition

*Revenue from Contracts with Customers*

The Organization recognizes revenue in accordance with ASU 2014-09, Revenue from Contracts with Customers (ASC Topic 606). Topic 606 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. The Organization generally measures revenue based on the amount of consideration the Organization expects to be entitled for the transfer of goods to a customer, then recognizes this revenue when the Organization satisfies its performance obligations.

The Organization evaluates its revenue contracts with customers based on the five-step model under Topic 606: (1) identify the contract with the customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to separate performance obligations; and (5) recognize revenue when (or as) each performance obligation is satisfied.

*Special Events*

Special event revenues received are not recognized until the revenue is earned, which is at the time of the event or when the services are provided, and the Organization does not believe it is required to provide additional goods or services to fulfill its related performance obligation. The recognition of revenue is conditional on the event taking place, as this is the point in time when the performance obligation of hosting the event occurs.

The Organization records special event revenue equal to contribution revenue less the cost of direct benefits to donors which is included in special event revenue on the statement of activities and changes in net assets.

*Contributions and Support*

The Organization recognizes revenue from contributions, including grants, in accordance with ASU 2018-08, Not-For-Profit Entities (ASC Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. In accordance with Topic 958, the Organization evaluates whether a transfer of assets is (i) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (ii) a contribution.

If the transfer of assets is determined to be an exchange transaction, the Organization applies guidance under Topic 606, discussed above. If the transfer of assets is determined to be a contribution, the Organization evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before the Organization is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

Contributions, including unconditional promises to give, are recognized as revenues in the period in which they are received. Unconditional promises are recognized at the estimated present value of future cash flows, discounted at a risk adjusted rate. Conditional promises to give are recognized when the conditions are met. Amortization of the discount is recorded as additional contribution revenue. An allowance for uncollectible contributions receivable is provided based upon management's judgment, including such factors as prior giving history, type of contribution, collection risk, and nature of fund-raising activity.

## NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition (continued)

*Contributions and Support (continued)*

Contributed revenue may include gifts of cash or promises to give. Contributions and grants are recognized as revenues in the period received and are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. When a restriction expires (that is, when a stipulated time restriction ends, or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Conditional contributions and grants are not recognized until they become unconditional, that is, at the time when the conditions are substantially met. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include a measurable performance-related barrier or other measurable barriers, a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement.

Contributed Nonfinancial Assets

Contributed nonfinancial assets (in-kind) are recorded as support in the statement of activities. Such contributions are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. The Organization's policy is to use contributed nonfinancial assets for programmatic or other purposes unless the assets have no utility consistent with the Organization's mission. In those instances, the assets would be monetized.

The Organization did not have any contributed nonfinancial assets for the year ended December 31, 2023.

Contributed Services

The Organization utilizes the services of volunteers throughout the year that perform a variety of tasks that assist the Organization with various programs. This contribution of services by the volunteers is not recognized in the financial statements unless the services received (a) create or enhance nonfinancial assets or (b) require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Such services do not meet the criteria for recognition as a contribution and are not reflected in the financial statements.

Direct Program Expenses

Direct program expenses consist of the following for the year ended December 31, 2023:

| | |
|---|---|
| Medical supplies and procedures | $ 370,611 |
| Postage and shipping | 68,191 |
| | $ 438,802 |

## NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Expenses

It is the policy of the Organization to ensure all expenses incurred are consistently and appropriately designated to their functional expense categories (program services, management, and fundraising) to allow for an accurate representation of the true program costs of the Organization.

Functional expenses are allocated as follows:

*Direct Expense*
Direct expenses relate to one classification and can be directly charged as incurred.

*Shared Direct Expense*
Shared direct expenses are those that are incurred in support of program work and can be allocated.

*Indirect Expense*
Indirect expenses are only those expenses that are administrative in function.

*Allocation Basis – Payroll*
The method of allocating costs for payroll is by the use of time studies. Employees document how time was being spent over a time period to determine, on average, where the employee is spending their time, whether it be program, management, or fundraising.

Expense Allocation Process

- Program: Costs that result in the Organization fulfilling its mission.
- Management: Costs necessary for the operations of the Organization that are not identifiable with a specific program or fundraising.
- Fundraising: Costs that involve seeking, soliciting, or securing contributions.

This allocation process achieves a complete distribution of expenses to program areas and provides the Organization with an accurate understanding of true program costs.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and the Oregon Revised Statute (ORS 317.080). The Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. Income generated from activities unrelated to the Organization's exempt purpose is subject to tax under IRC Section 511. The Organization did not have any unrelated business income for the year ended December 31, 2023.

The Organization follows the provision of uncertain tax positions as addressed in FASB Accounting Standards Codification. The Organization recognizes accrued interest and penalties associated with uncertain tax positions as part of the income tax provision, when applicable. The Organization believes that it has taken no significant uncertain tax positions for the year ended December 31, 2023. Management believes the Organization is no longer subject to income tax examinations by applicable taxing jurisdictions for the years prior to December 31, 2019.

## NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Advertising

The Organization expenses the cost of advertising as incurred. Advertising expense for the year ended December 31, 2023 was $5,316.

Going Concern Evaluation

Management evaluates whether there are conditions or events that raise substantial doubt about the entity's ability to continue as a going concern for a period of one year from the date the financial statements are available to be issued.

## NOTE 3. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

As of December 31, 2023, the Organization had financial assets available to meet general expenditures over the next twelve months in the amount of $2,280,441, which consisted of cash.

The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

## NOTE 4. CONCENTRATION OF CREDIT RISK

Cash

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist principally of cash. The Organization maintains its cash in bank deposit accounts that are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of $250,000 per depositor. As of December 31, 2023, the Organization exceeded federally insured limits by $2,130,441.

## NOTE 5. TIKTOK-A-THON FUNDRAISER

On March 31, 2023, content creator Mercury Stardust hosted the 2nd Annual "TikTok-a-Thon for Trans Health," a 24-hour livestream fundraiser hosted on social media.

More than 58,000 donors contributed to the TikTok-a-Thon, which raised over $2.2M. The cost of advertising and fundraising for the event was $143,000.

## NOTE 7. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through April 2, 2025, the date on which the financial statements were available to be issued.