# Transgender Law Center

Financial Statements &

Independent Auditor's Report

for the Year Ended

December 31, 2018

COOK & COMPANY

A PROFESSIONAL ACCOUNTANCY CORPORATION

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COOK & COMPANY
A PROFESSIONAL ACCOUNTANCY CORPORATION

# Independent Auditor's Report

To the Board of Directors
Transgender Law Center
Oakland, California

We have audited the accompanying financial statements of Transgender Law Center (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

***Auditor's Responsibility***
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including an assessment of the risks of the material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Transgender Law Center as of December 31, 2018, 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.

***Report on Summarized Comparative Information***
We have previously audited the December 31, 2017, financial statements of Transgender Law Center and our report dated December 27, 2018 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Cook & Company

A Professional Accountancy Corporation
September 4, 2019

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# Transgender Law Center

## Statement of Financial Position
## December 31, 2018
## with Comparative Totals for December 31, 2017

| ASSETS | 12/31/18 | 12/31/17 (Note 2) |
|---|---|---|
| Current Assets: | | |
| Cash & equivalents | $ 2,209,849 | $ 681,044 |
| Investments (Note 3) | 1,075,291 | 1,944,309 |
| Contracts receivable | 45,192 | 29,685 |
| Grants & pledges receivable, due within one year | 809,169 | 438,484 |
| Other receivables | 780 | 6,891 |
| Total current financial assets | 4,140,281 | 3,100,413 |
| Prepaid expenses & other current assets | 66,117 | 75,824 |
| Total current assets | 4,206,398 | 3,176,237 |
| Grants receivable, due in one to two years | 200,000 | 229,000 |
| Deposits | 88,924 | 98,358 |
| Property & equipment, net (Note 4) | 16,518 | 25,815 |
| TOTAL ASSETS | $ 4,511,840 | $ 3,529,410 |
| LIABILITIES & NET ASSETS | | |
| Current Liabilities: | | |
| Accounts payable & accrued expenses | $ 292,949 | $ 124,182 |
| Accrued vacation pay | 102,443 | 88,178 |
| Accrued sabbatical leave - current (Note 2) | 40,762 | 14,999 |
| Deferred rent - current | 7,787 | - |
| Deferred program revenue | 14,119 | 13,557 |
| Total current liabilities | 458,060 | 240,916 |
| Deferred rent - long-term | 50,604 | 46,744 |
| Subtenant deposits | 26,013 | 36,423 |
| Accrued sabbatical leave - long-term (Note 2) | 76,234 | 70,897 |
| TOTAL LIABILITIES | 610,911 | 394,980 |
| Net Assets | | |
| Without donor restrictions | 1,035,979 | 850,925 |
| With donor restrictions (Note 5) | 2,864,950 | 2,283,505 |
| TOTAL NET ASSETS | 3,900,929 | 3,134,430 |
| TOTAL LIABILITIES & NET ASSETS | $ 4,511,840 | $ 3,529,410 |

See accompanying notes to financial statements
and independent auditor's report.

# Transgender Law Center

## Statement of Activities and Changes in Net Assets for the Year Ended December 31, 2018 with Comparative Totals for the Year Ended December 31, 2017

| | Without Donor Restrictions | With Donor Restrictions | 2018 Total | 2017 Total (Note 2) |
|---|---|---|---|---|
| Support & Revenue: | | | | |
| Foundation grants | $ 149,330 | $3,122,815 | $ 3,272,145 | $ 3,638,052 |
| Net assets released from restriction: | | | | |
| Satisfaction of donor restrictions | 3,209,974 | (3,209,974) | - | - |
| Individual donations | 773,341 | 279,444 | 1,052,785 | 733,141 |
| Corporate contributions | 233,307 | 389,160 | 622,467 | 366,519 |
| In-kind support (Note 6) | 1,006,118 | - | 1,006,118 | 1,117,605 |
| Special event revenue (Note 7) | 37,528 | | 37,528 | 58,195 |
| Contract revenue | 58,808 | - | 58,808 | 214,281 |
| Legal & other program fees | 125,425 | - | 125,425 | 8,145 |
| Investment income (Note 3) | 45,441 | - | 45,441 | 143,204 |
| Miscellaneous revenue | 75,964 | - | 75,964 | 135,061 |
| Total support & revenue | 5,715,236 | 581,445 | 6,296,681 | 6,414,203 |
| Expenses: | | | | |
| Programs | 4,680,078 | | 4,680,078 | 4,328,958 |
| General & administrative | 347,001 | | 347,001 | 234,441 |
| Fundraising | 503,103 | | 503,103 | 465,765 |
| Total expenses | 5,530,182 | - | 5,530,182 | 5,029,164 |
| CHANGE IN NET ASSETS | 185,054 | 581,445 | 766,499 | 1,385,039 |
| NET ASSETS, January 1 | 850,925 | 2,283,505 | 3,134,430 | 1,749,391 |
| NET ASSETS, December 31 | $1,035,979 | $2,864,950 | $ 3,900,929 | $ 3,134,430 |

See accompanying notes to financial statements and independent auditor's report.

# Transgender Law Center

## Statement of Functional Expenses
## for the Year Ended December 31, 2018
## with Comparative Totals for the Year Ended December 31, 2017

| | Programs | General & Administrative | Fundraising | 2018 Total | 2017 Total (Note 2) |
|---|---|---|---|---|---|
| Salaries | $ 1,503,941 | $ 149,626 | $ 224,440 | $ 1,878,007 | $ 1,764,688 |
| Employee benefits | 181,961 | 18,196 | 27,294 | 227,451 | 182,457 |
| Payroll taxes | 118,362 | 11,836 | 17,754 | 147,952 | 146,921 |
| Subtotal | 1,804,264 | 179,658 | 269,488 | 2,253,410 | 2,094,066 |
| In kind services | 1,006,118 | - | - | 1,006,118 | 1,115,065 |
| Subgrants & subcontracts | 97,400 | - | - | 97,400 | 22,398 |
| Accounting fees | - | 41,113 | - | 41,113 | 77,587 |
| Legal fees | 102,266 | 27,220 | 2,819 | 132,305 | 39,426 |
| Advertising & promotion | 97,706 | - | 48,525 | 146,231 | 41,464 |
| Other consultants & professional fees | 283,637 | 26,195 | 22,143 | 331,975 | 354,031 |
| Telephone & internet | 22,548 | 1,791 | 3,017 | 27,356 | 17,017 |
| Office supplies & small equipment | 26,930 | (676) | 2,847 | 29,101 | 46,516 |
| Printing & copying | 6,655 | 170 | 256 | 7,081 | 22,829 |
| Postage | 12,978 | 466 | 821 | 14,265 | 7,295 |
| Information technology | 70,663 | 5,695 | 11,910 | 88,268 | 102,443 |
| Occupancy | 319,600 | 31,960 | 47,940 | 399,500 | 428,956 |
| Travel | 628,636 | 7,641 | 17,685 | 653,962 | 365,687 |
| Conferences & training | 37,308 | - | - | 37,308 | 12,979 |
| Meetings | 54,565 | 9,884 | 10,011 | 74,460 | 64,964 |
| Depreciation | 10,854 | 1,085 | 1,628 | 13,567 | 16,858 |
| Insurance | 19,117 | 1,907 | 2,860 | 23,884 | 24,060 |
| Professional development | 13,527 | 3,086 | 1,142 | 17,755 | 29,678 |
| Staff & volunteer appreciation | 2,465 | 124 | 260 | 2,849 | 6,888 |
| Event production costs | (160) | (40) | 34,060 | 33,860 | 70,054 |
| Client costs | 14,373 | (9) | (13) | 14,351 | 4,544 |
| Bank fees | 560 | 5,694 | 18,123 | 24,377 | 22,788 |
| Dues & subscriptions | 13,293 | 254 | 80 | 13,627 | 17,354 |
| Miscellaneous expense | 34,775 | 3,783 | 7,501 | 46,059 | 24,217 |
| **Total expenses** | $ 4,680,078 | $ 347,001 | $ 503,103 | $ 5,530,182 | $ 5,029,164 |

See accompanying notes to financial statements
and independent auditor's report.

# Transgender Law Center

## Statement of Cash Flows
## for the Year Ended December 31, 2018
## with Comparative Totals for the Year Ended December 31, 2017

| | 2018 | 2017 (Note 2) |
|---|---|---|
| ***Cash flows from operating activities:*** | | |
| Change in net assets | $ 766,499 | $ 1,385,039 |
| Adjustments to reconcile change in net assets to net cash provided (used) by operating activities: | | |
| Depreciation expense | 13,567 | 16,858 |
| Investment gains & losses | (4,294) | (118,933) |
| Changes in assets and liabilities: | | |
| (Increase) decrease in grants, contracts & accounts receivable | (351,081) | (290,735) |
| (Increase) decrease in prepaid expenses & deposits | 19,141 | (8,001) |
| Increase (decrease) in accounts payable | 168,767 | 40,833 |
| Increase (decrease) in subtenant deposit | (10,410) | - |
| Increase (decrease) in accrued vacation | 14,265 | 15,234 |
| Increase (decrease) in accrued sabbatical leave | 31,100 | (10,980) |
| Increase (decrease) in deferred rent | 3,860 | 46,744 |
| Increase (decrease) in deferred revenue | 8,349 | 13,557 |
| **Cash provided (used) by operating activities:** | 659,763 | 1,089,616 |
| ***Cash flows from investing activities:*** | | |
| Purchases of property & equipment | (4,269) | - |
| Liquidation of (investment in) marketable securities | 873,311 | (1,007,154) |
| **Cash provided (used) by investing activities:** | 869,042 | (1,007,154) |
| **Cash provided (used) during year** | 1,528,805 | 82,462 |
| Cash & equivalents: | | |
| **Beginning of year, January 1** | 681,044 | 598,582 |
| **End of year, December 31** | $ 2,209,849 | $ 681,044 |

See accompanying notes to financial statements
and independent auditor's report.

# Transgender Law Center

## Notes to the Financial Statements
## for the Year Ended December 31, 2018

### 1. The Organization

Transgender Law Center (TLC or the Organization) changes law, policy and attitudes so that all people can live safely, authentically, and free from discrimination regardless of their gender identity or expression. In partnership with constituents and allies, we work to realize a future in which gender self-determination and expression are seen as basic rights and matters of common human dignity. The Organization is a nonprofit public benefit corporation exempt from income taxes under Internal Revenue Code Section 501(c)(3).

Founded in 2002, Transgender Law Center has grown into the largest organization in the United States dedicated to advancing transgender rights and provides free legal assistance and information to transgender and gender nonconforming individuals and their families. Informed by legal trends and the needs of constituents contacting its legal helpline, TLC employs a unique and integrated multidisciplinary approach to create legal and social change. TLC improve the lives of transgender and gender nonconforming people in the United States through strategic litigation, policy advocacy, educational efforts, movement building, and the creation of model programs.

Nature of Funding
TLC receives the majority of its funding through grants from foundations. Additional funding is received from contributed legal services, individual donations, legal settlements, corporate contributions, program service fees, and special events.

### 2. Summary of Significant Accounting Policies

Basis of Accounting
The accompanying financial statements are prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America. Under the accrual basis of accounting, support is recognized when it is awarded, revenue is recognized when it is earned, and expenses are recognized when they are incurred.

Basis of Presentation
Net assets, revenues, expenses, gains, and losses are classified based upon the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

> **Net assets without donor restrictions**, which includes resources not subject to, or no longer subject to, donor-imposed stipulations.
>
> **Net assets with donor restrictions**, which includes resources whose use is limited by donor-imposed time and/or purpose restrictions.

Revenue and support are reported as increases in *net assets without donor restrictions* unless use of the contributed assets is limited by donor-imposed stipulations. All expenses, including those funded by restricted contributions, are reported as decreases in *net assets without donor restrictions*. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in *net assets without donor restrictions* unless they are encumbered by explicit donor stipulation or by law.

Expirations of donor-restrictions (i.e. the donor-stipulated purpose has been fulfilled and/or the stipulated time-period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Cash & Cash Equivalents

Cash & cash equivalents include funds held in bank checking accounts, money market funds held with an investment brokerage, and undeposited checks.

Investments

Investments, consisting of mutual funds held with a brokerage firm, are carried on the books at fair value as discussed in Note 3. All of the Organization's investments are traded in an active market on a national exchange. Accordingly, the prices quoted by the exchange determine fair value.

Contracts Receivable

Contracts Receivable consists primarily of amounts owed to TLC for program services provided to other organizations. Amounts are reported at the amount management expects to collect on balances outstanding at year-end. As amounts are deemed fully collectible, there is no allowance for bad debt.

Grants Receivable

Grants receivable are reported based on written promises received from contributors. As management believes that all amounts are fully collectible, no allowance for uncollectible accounts has been established. Amounts due within one year are stated at face value, while amounts due beyond one year are discounted to present value only in cases where such discounts are material to the financial statements. Currently, there are no discounts reflected in the accompanying financial statements.

Property & Equipment

The Organization capitalizes fixed assets, consisting primarily of office and computer equipment, with an initial cost, or fair market value if donated, of $1,000, and depreciates them on a straight-line basis over their estimated useful lives (3 to 5 years for assets currently on the books).

Pass-through Grants Payable

When the Organization receives grant funds earmarked for other nonprofit organizations, these amounts are not included as support on the statement of activity, but rather are presented as a liability on the statement of financial position.

Accrued Sabbatical Leave

Full-time employees are entitled to two months of paid sabbatical leave every five years. Sabbatical leave is not a vested benefit and is not payable to employees upon termination of employment. However, in accordance with generally accepted accounting principles, the cost of each employee's sabbatical leave is accrued in the financial statements over a five-year period.

In-kind Support

In order to accomplish its mission, TLC relies heavily on pro bono services provided by attorneys. These attorneys assist TLC with various civil rights court cases. In accordance with generally accepted accounting principles, the Organization records the estimated fair market value of these services in the *statement of activities and changes in net assets*. TLC solicits information from its volunteer attorneys in order to calculate and record the contributions. The vast majority of volunteer attorneys respond to these requests. Based on the responses, median composite valuation rates are developed for the various types of law firm respondents (using firm size and estimated contribution level to categorize each one) and applied to the total population of TLC's volunteer attorneys in order to determine the total value of contributed services to record in the financial statements.

Due to the fact that certain assumptions must be made when calculating and recording estimates, it is at least reasonably possible that the actual value of services received differs significantly from the amount recorded in the financial statements.

Functional Expenses

The Organization presents its expenses by function and natural category. The compensation expense for certain employees is allocated to various functions according to management's estimate of time and effort.

| Position | Functions Expensed |
|---|---|
| Executive Director | Program Services, General & Administrative, Fundraising |
| Director of Development | Program Services, General & Administrative, Fundraising |
| Director of Finance & Operations | General & Administrative, Fundraising |
| Database Manager | Program Services, General & Administrative, Fundraising |
| Development Coordinators | Fundraising |
| Human Resources Manager | General & Administrative |
| Operations Associate | General & Administrative |
| Finance & Operations Assistant | General & Administrative |

All other employee salaries and related costs are expensed entirely to Program Services.

Shared costs, primarily consisting of office rent and employee fringe benefits, are allocated based on overall compensation expense allocated to each function.

Other expenses are charged directly to the appropriate function based on specific identification.

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, receivables, and accounts payable approximate fair value because of the short maturity of these instruments.

Income Taxes

As a public charity, the Organization is exempt from income taxes except on activities unrelated to its mission. The Organization's federal *Return of Organization Exempt from Income Tax* (Form 990) filings for the tax years ending in 2015 through 2018 are subject to examination by the Internal Revenue Service, generally for three years after they were filed. The Organization's *California Exempt Organization Annual Information Return* (Form 199) filings for the tax years ending in 2014 through 2018 are subject to examination by the California Franchise Tax Board, generally for four years after they were filed.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

# Transgender Law Center

## Notes to the Financial Statements
## for the Year Ended December 31, 2018

New Accounting Pronouncement
These financial statements reflect the provisions of Accounting Standards Update No. 2016-14—*Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* (ASU 2016-14), which was issued by the Financial Accounting Standards Board (FASB) in August 2016 and effective for calendar years ending in 2018 and beyond.

This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return amongst not-for-profit entities. A key change required by ASU 2016-14 is the net asset class captions displayed in not-for-profit financial statements. Amounts previously reported as *unrestricted net assets* are now reported as *net assets without donor restrictions*, and amounts previously reported as *temporarily restricted net assets* and *permanently restricted net assets* are now reported as *net assets with donor restrictions*. A footnote on liquidity has also been added (Note 13).

Comparative Data
The financial statement information for the year ended December 31, 2017, presented for comparative purposes, is not intended to be a complete financial statement presentation. Certain amounts in the 2017 financial statements have been reclassified to conform to the 2018 presentation. For a complete presentation of 2017, please refer to the financial statements for that fiscal year.

### 3. Investments – Fair Value Measurements

The Organization has valued its investments in accordance with FASB ASC #820, which establishes a fair value framework in accordance with generally accepted accounting principles. ASC #820 clarifies the definition of fair value, taking the position that fair value is the exchange price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date.

There are three defined levels in the fair value hierarchy:

Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets that are accessible at the measurement date.
Level 2 – Prices or valuations based on observable inputs other than quoted prices in active markets for identical assets and liabilities
Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and are unobservable (i.e. supported by little or no market activity).

Fair value of assets measured on a recurring basis at December 31, 2018, consist of various categories of mutual funds held with an investment brokerage:

| | Fair Value | Quoted Prices in Active Markets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|---|---|---|---|---|
| Bond funds | $1,075,291 | $1,075,291 | | |

# Transgender Law Center

## Notes to the Financial Statements for the Year Ended December 31, 2018

Components of investment income are as follows:

| | |
|---|---|
| Dividends | $41,147 |
| Unrealized & realized gains/(losses) | 4,294 |
| Total | $45,441 |

**4. Property & Equipment**

| | |
|---|---|
| Computers | $35,324 |
| Office equipment | 13,117 |
| Leasehold improvements | 23,553 |
| Less: accumulated depreciation | (55,476) |
| Property & equipment, net book value | $16,518 |

**5. Net Assets with Donor Restrictions**

As of December 31, 2018, unspent grants were restricted to the following activities:

| | |
|---|---|
| General support for future periods | $1,580,972 |
| Black LGBTQIA & Migrant project | 300,000 |
| Detention work | 192,058 |
| Nonbinary messaging research | 166,795 |
| *Positively Trans* program | 163,250 |
| National organizing / training | 127,500 |
| Legal and health support | 103,125 |
| Capacity building | 100,000 |
| Black Trans Circle project | 70,000 |
| *Move to End Violence* program | 25,000 |
| Other projects & programs | 36,250 |
| Total | $2,864,950 |

**6. In-Kind Support**

| | |
|---|---|
| Contributed legal services reported | $972,494 |
| Estimate of additional contributed legal services | 33,624 |
| Total | $1,006,118 |

## 7. Special Event

The Organization held a gala to help raise funds for its programs. Revenue was generated through sponsorships and ticket sales, as follows:

| | |
|---|---|
| Gross receipts | $94,522 |
| Less: direct benefits to donors | (56,994) |
| Net | $37,528 |

## 8. Operating Lease

TLC rents office space in downtown Oakland under a five-year operating agreement that expires in 2021. Under the terms of the lease, the initial monthly base rent of $37,164 shall increase by approximately 4% each year. Because the lease contains a staggered rent schedule, rent expense reflected in the financial statements shall be straight-lined over the course of the lease term in accordance with generally accepted accounting principles. The Organization also rents an office in New York office under an 11-month agreement that expires in November 2019.

Future minimum lease payments are as follows:

| | |
|---|---|
| 2019 | $551,600 |
| 2020 | 512,152 |
| 2021 | 305,599 |
| Total future minimum lease payments | $1,369,351 |

TLC subleases portions of its space to another nonprofit organization under an operating agreement that expire in 2021. Future minimum rental receipts are anticipated as follows:

| | |
|---|---|
| 2019 | $166,825 |
| 2020 | 171,830 |
| 2021 | 109,084 |
| Total future minimum rental receipts | $447,739 |

## 9. Retirement Plan

TLC participates in an Internal Revenue Code Section 403(b) defined contribution retirement plan, which covers the Organization's employees upon employment. The Organization makes matching contributions of up to 3% of each employee's salary. In addition, the Organization may make additional contributions to employee accounts at the discretion of its board of directors. For the year ended December 31, 2018, the Organization contributed a total of $37,370 to the retirement accounts of its employees.

# Transgender Law Center

## Notes to the Financial Statements
## for the Year Ended December 31, 2018

### 10. Concentration of Risk – Cash & Investments

From time to time, the Organization's bank deposits may exceed the insurance limits provided by the Federal Deposit Insurance Corporation (FDIC). As of December 31, 2018, TLC held approximately $981,000 in a single financial institution. The FDIC insures these deposits only up to $250,000.

In addition, TLC holds marketable securities (including approximately $1 million in money market funds classified as cash equivalents) that are subject to fluctuation in market value. Although this presents the risk of loss to the Organization, management believes that the investment portfolio is adequately diversified to mitigate this risk.

### 11. Contingencies - Funding Source Requirements

The Organization receives contributions and grants that are restricted for a specific program or purpose. If such restrictions are not met in accordance with the funding source agreement, there is the possibility that funds would have to be returned to the donor. It is management's opinion that all donor conditions have been met for grants and contributions that have either been recorded directly to unrestricted net assets or released from temporarily restricted net assets.

### 12. Subsequent Events – Preparation of Financial Statements

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through September 4, 2019, the date the financial statements were available to be issued. As of this date, no additional subsequent events requiring disclosure or recognition were noted.

### 13. Liquidity and Availability

The Organization receives significant contributions and promises to give that are restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. 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. Financial assets available to meet cash needs for general expenditures within one year of the balance sheet date are as follows:

| | |
|---|---|
| Total current financial assets | $4,140,281 |
| Donor-imposed restrictions: | |
| Purpose-restricted funds (current) | 1,083,978 |
| Net financial assets after donor-imposed restrictions | 3,056,303 |
| Financial assets available to meet cash needs for general expenditures within one year | $3,056,303 |