



**NATIONAL CENTER FOR TRANSGENDER EQUALITY AND ITS AFFILIATE  
FINANCIAL STATEMENTS**

December 31, 2022 (with comparative totals for 2021)

## CONTENTS

Independent Auditor's Report .....	1
Consolidated Statement of Financial Position .....	3
Consolidated Statement of Activities .....	4
Consolidated Statement of Functional Expenses .....	5
Consolidated Statement of Cash Flows .....	6
Notes to Financial Statements .....	7

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
National Center for Transgender Equality and its affiliate,  
the National Center for Transgender Equality Action Fund  
Washington, DC

### **Opinion**

We have audited the financial statements of National Center for Transgender Equality and its affiliate (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated 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 accompanying financial statements present fairly, in all material respects, the financial position of National Center for Transgender Equality and its affiliate as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 National Center for Transgender Equality and its affiliate 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.

### **Adoption of New Accounting Guidance**

As discussed in Note 1 to the financial statements, National Center for Transgender Equality and its affiliate adopted the Financial Accounting Standards Board's Accounting Standards Update No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, as of January 1, 2022. Our opinion is not modified with respect to this matter.

### **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 National Center for Transgender Equality and its affiliate's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditor's 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 GAAS 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 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 GAAS, 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 National Center for Transgender Equality and its affiliate'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 National Center for Transgender Equality and its affiliate'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 National Center for Transgender Equality and its affiliate's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 6, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Wegner CPAs, LLP  
Alexandria, Virginia  
October 20, 2023

**NATIONAL CENTER FOR TRANSGENDER EQUALITY AND ITS AFFILIATE**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
December 31, 2022 (with comparative totals for December 31, 2021)

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash	\$ 2,223,031	\$ 1,917,275
Grants and contributions receivable	865,977	1,280,880
Accounts receivable	2,500	6,000
Investments	3,162,463	2,385,192
Prepaid expenses and deposits	153,574	112,270
Equipment, net	<u>29,298</u>	<u>8,001</u>
<b>Total assets</b>	<u><u>\$ 6,436,843</u></u>	<u><u>\$ 5,709,618</u></u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 200,163	\$ 156,510
Accrued payroll	<u>108,907</u>	<u>278,143</u>
Total liabilities	309,070	434,653
<b>NET ASSETS</b>		
Without donor restrictions	4,951,338	3,832,597
With donor restrictions	<u>1,176,435</u>	<u>1,442,368</u>
Total net assets	<u>6,127,773</u>	<u>5,274,965</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 6,436,843</u></u>	<u><u>\$ 5,709,618</u></u>

See accompanying notes.

**NATIONAL CENTER FOR TRANSGENDER EQUALITY AND ITS AFFILIATE**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
Year ended December 31, 2022 (with comparative totals for the year ended December 31, 2021)

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>REVENUES</b>				
Grants and contributions	\$ 3,226,718	\$ 1,070,000	\$ 4,296,718	\$ 3,429,443
Employee Retention Credits	-	-	-	415,055
Paycheck Protection Program	-	-	-	325,456
In-kind contributions	256,447	-	256,447	26,955
Rental income	-	-	-	2,100
Speaking and training	71,894	-	71,894	31,850
Investment income, net	21,394	-	21,394	871
Other income	-	-	-	3,514
Net assets released from restrictions:				
Satisfaction of purpose restrictions	1,010,933	(1,010,933)	-	-
Expiration of time restrictions	325,000	(325,000)	-	-
<b>Total revenues</b>	<b>4,912,386</b>	<b>(265,933)</b>	<b>4,646,453</b>	<b>4,235,244</b>
<b>EXPENSES AND LOSSES</b>				
Program services	2,785,260	-	2,785,260	1,874,235
Supporting activities				
Management and general	745,766	-	745,766	970,004
Fundraising	262,619	-	262,619	289,012
<b>Total supporting services</b>	<b>1,008,385</b>	<b>-</b>	<b>1,008,385</b>	<b>1,259,016</b>
<b>Total expenses</b>	<b>3,793,645</b>	<b>-</b>	<b>3,793,645</b>	<b>3,133,251</b>
Loss on disposal of equipment	-	-	-	787
<b>Total expenses and losses</b>	<b>3,793,645</b>	<b>-</b>	<b>3,793,645</b>	<b>3,134,038</b>
<b>Change in net assets</b>	<b>1,118,741</b>	<b>(265,933)</b>	<b>852,808</b>	<b>1,101,206</b>
Net assets at beginning of year	3,832,597	1,442,368	5,274,965	4,173,759
<b>Net assets at end of year</b>	<b>\$ 4,951,338</b>	<b>\$ 1,176,435</b>	<b>\$ 6,127,773</b>	<b>\$ 5,274,965</b>

See accompanying notes.

**NATIONAL CENTER FOR TRANSGENDER EQUALITY AND ITS AFFILIATE**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
Year ended December 31, 2022 (with comparative totals for the year ended December 31, 2021)

	Program Services						Supporting Services		2022 Total	2021 Total
	General Program, SAP, and Policy	Outreach Public Education Familiarization and Family	Direct Lobbying	Grassroots Lobbying	U.S. Transgender Survey	Electoral	Management and General	Fundraising		
Salaries and related expenses	\$ 925,864	\$ 188,174	\$ 15,382	\$ 13,143	\$ 207,824	\$ 328	\$ 388,727	\$ 175,580	\$ 1,915,022	\$ 2,120,780
Consultants	118,168	217,056	560	145	514,042	5	50,921	3,044	903,941	395,401
Rent	8,814	1,796	134	146	2,106	3	3,040	1,724	17,763	32,266
Professional services	3,321	-	-	-	250,011	-	123,704	35	377,071	140,554
Telecommunications	43,161	12,602	543	1,197	33,569	7	14,508	13,437	119,024	71,652
Travel and meals	31,701	3,119	8	8	2,609	3	6,645	6,609	50,702	3,336
Conference, events, and meetings	26,487	707	-	-	1,997	-	7,730	2,160	39,081	23,603
Printing and publications	4,573	9,996	-	-	6,207	-	449	16,372	37,597	40,857
Bank fees	-	-	-	-	-	-	21,635	-	21,635	21,189
Grants and donations	5,000	-	-	-	5,000	-	-	-	10,000	125,500
Supplies	1,783	639	10	12	353	-	2,293	576	5,666	7,166
Insurance	527	107	8	8	123	-	5,930	102	6,805	6,220
Depreciation and amortization	2,003	180	53	-	109	-	3,217	87	5,649	9,247
Website	817	11,993	-	-	240	480	195	-	13,725	15,718
Advertising expenses	300	325	-	-	23,606	-	-	-	24,231	91
Dues and subscriptions	3,698	28	-	3	34	-	47	405	4,215	4,585
Staff recruitment and development	40,497	2,485	82	281	4,936	-	114,570	25,577	188,428	84,963
Other expenses	8,641	20,664	17	19	4,683	-	2,155	16,911	53,090	30,123
<b>Total expenses</b>	<b>\$ 1,225,355</b>	<b>\$ 469,871</b>	<b>\$ 16,797</b>	<b>\$ 14,962</b>	<b>\$ 1,057,449</b>	<b>\$ 826</b>	<b>\$ 745,766</b>	<b>\$ 262,619</b>	<b>\$ 3,793,645</b>	<b>\$ 3,133,251</b>

See accompanying notes.

**NATIONAL CENTER FOR TRANSGENDER EQUALITY AND ITS AFFILIATE**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
Year ended December 31, 2022 (with comparative totals for December 31, 2021)

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 852,808	\$ 1,101,206
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation and amortization	5,649	9,247
Loss on disposal of asset	-	787
Unrealized and realized loss from investments	11,105	7,600
(Increase) decrease in assets		
Grants and contributions receivable	414,903	(612,789)
Accounts receivable	3,500	(6,000)
Prepaid expenses and deposits	(41,304)	(51,639)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	43,653	127,387
Accrued payroll	(169,236)	200,915
Deferred rent	-	(964)
Security deposit payable	-	(1,866)
Net cash flows from operating activities	1,121,078	773,884
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	29,900	1,186,000
Purchases of investments	(785,928)	(1,205,023)
Proceeds from investments reinvested	(32,348)	-
Purchases of property and equipment	(26,946)	(2,638)
Net cash flows from investing activities	(815,322)	(21,661)
<b>Net change in cash</b>	305,756	752,223
Cash at beginning of year	1,917,275	1,165,052
<b>Cash at end of year</b>	<u>\$ 2,223,031</u>	<u>\$ 1,917,275</u>

See accompanying notes.



**NATIONAL CENTER FOR TRANSGENDER EQUALITY AND ITS AFFILIATE**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2022 (with comparative totals for December 31, 2021)

---

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

National Center for Transgender Equality (NCTE) advocates to change policies and society to increase understanding and acceptance of transgender people. In the nation's capital and throughout the country, NCTE works to replace disrespect, discrimination, and violence with empathy, opportunity, and justice.

National Center for Transgender Equality Action Fund (NCTEAF) is a nonprofit advocacy organization fighting for transgender equality at the local, state, and federal levels. By organizing and empowering transgender people, NCTEAF creates new possibilities for transgender people through political participation and influence. NCTE and NCTEAF fund their programs and supporting services primarily through grants and contributions from various foundations, corporations, and individuals.

**Principles of Consolidation**

The consolidated financial statements are presented and include the accounts of NCTE and NCTEAF (collectively, the Center). Consolidated financial statements are presented because of common control of NCTE and NCTEAF. All significant intercompany balances and transactions have been eliminated in the consolidation.

**Comparative Financial 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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Center's financial statements for the year ended December 31, 2021, from which the summarized information was derived.

**Grants and Contributions Receivable**

Grants and contributions receivable are comprised of unconditional promises to give and are expected to be fully collected. If an amount becomes uncollectible, it is expensed when that determination is made.

**Equipment**

All acquisitions of equipment in excess of \$1,500 with a projected useful life exceeding one year are capitalized and recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Direct costs incurred during the application state of the development of the Center's website are capitalized and amortized over an estimated useful life of three years. Expenditures for minor and routine repairs and maintenance are expenses as incurred.

**NATIONAL CENTER FOR TRANSGENDER EQUALITY AND ITS AFFILIATE**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2022 (with comparative totals for December 31, 2021)

---

---

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Investments**

Investments are measured at readily determinable fair values and are composed of cash and money market funds, and equity securities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants and the measurement date.

Unrealized gains or losses on investments are determined by the change in fair value at the beginning and end of the reporting period. Investment income is presented net of investment advisory and management fees, if any, in the accompanying statement of activities. Net realized and unrealized gains or losses on investments are included in net investment income (loss) in the accompanying statement of activities. Cash and money market funds held in investment portfolios are included in investments in the accompanying statement of financial position.

**Grants and Contributions**

Unconditional grants and contributions are recognized when promised and are considered to be available for unrestricted use unless specifically restricted by the donor. Unconditional amounts received that are restricted by the donor for specific time periods or purposes are reported as net assets with donor restrictions. When a donor restriction expires (that is, when a stipulated time or purpose restriction is met), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statements of activities as net assets released from restrictions. Conditional promises to give - that is, those with a measurable performance or other barriers and a right of return - are not recognized until the conditions on which they depend have been met. There were no conditional grants and contributions as of December 31, 2022 and 2021.

**Donated Services**

Donated services are recognized as contributions if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased if not provided by donation.

**Revenue Recognition**

Employees of the Center speak at various companies, universities, and events, as well as hold trainings to educate individuals on transgender issues. Revenue is recognized at a point in time when the speaking and training engagements are held.

**Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

**NATIONAL CENTER FOR TRANSGENDER EQUALITY AND ITS AFFILIATE**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2022 (with comparative totals for December 31, 2021)

---

---

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Leases**

The Center does not recognize short-term leases in the statement of financial position. For these leases, the Center recognizes the lease payments in the change in net assets on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred. The Center also does not separate nonlease components from lease components for all classes of underlying assets and instead accounts for each separate lease component and the nonlease components associated with that lease component as a single lease component. If the rate implicit in the lease is not readily determinable, the Center uses a risk-free rate as the discount rate for the lease for all classes of underlying assets.

**Functional Allocation of Expenses**

The costs of providing program and supporting services have been summarized on a functional basis on the accompanying statement of activities. The statement of functional expenses presents expenses by function and natural classification. The Center incurs expenses that directly relate to, and can be assigned to, a specific program or supporting activity. The Center also conducts a number of activities which benefit both its program objectives as well as supporting services. These costs, which are not specifically attributable to a specific program or supporting activity, are allocated by management on a consistent basis among program and supporting services benefited based on either financial or nonfinancial data, such as distribution of labor or estimates of time and effort incurred by personnel. The expenses that are allocated include salaries and related expenses, rent, telecommunications, supplies, website, insurance, and depreciation.

**Income Tax Status**

Under Sections 501(c)(3) and 501(c)(4) of the Internal Revenue Code, NCTE and NCTEAF, respectively, are nonprofit organizations and are exempt from federal taxes on income other than net unrelated business income. No provision for federal or state income taxes is required for the years ended December 31, 2022 and 2021, as the Center has no material taxable net unrelated business income.

**Adoption of New Accounting Guidance**

On September 17, 2020, the Financial Accounting Standards Board issued Accounting Standards Update No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The intent of this Update is to improve transparency in the reporting of contributed nonfinancial assets (also known as gifts-in-kind) received by not-for-profit entities. The Update requires a not-for-profit entity to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. The Update also requires enhanced disclosures about the valuation of contributed nonfinancial assets and their use in programs and other activities, including any donor-imposed restrictions on such use. The Center adopted the requirements of this Update effective January 1, 2022. The changes required by this Update have been applied retrospectively to all periods presented.

**NATIONAL CENTER FOR TRANSGENDER EQUALITY AND ITS AFFILIATE**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2022 (with comparative totals for December 31, 2021)

---

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Date of Management’s Review**

Management has evaluated subsequent events through October 20, 2023, the date which the financial statements were available to be issued.

NOTE 2 – CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Center to significant concentrations of credit risk consist of cash deposits and investments. The Center maintains cash deposits and investments with various financial institutions that exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC) and the Securities Investor Protection Corporation (SIPC). The Center has not experienced any losses on its cash deposits and investments to date as it relates to FDIC or SIPC insurance limits. Management periodically assesses the financial condition of the institutions and believed that the risk of any loss is minimal. At December 31, 2022 and 2021, the Center’s uninsured cash balances were approximately \$1,752,000 and \$1,306,000, respectively.

NOTE 3 – INVESTMENTS

Investments are comprised of the following:

	2022	2021
Cash and money market funds	\$ 3,157,519	\$ 2,385,192
Common stocks	4,944	-
Investments	\$ 3,162,463	\$ 2,385,192

Fair values of common stocks are based on the closing prices reported on the active market where the individual securities are traded, which are Level 1 fair value measurements.

NOTE 4 – LEASES

The Center entered into an office lease in December 2020 requiring monthly payments of \$1,400 that expired in June 2023 with annual renewal options. Subsequent to year-end, the lease was renewed for an additional six months, expiring in December 2023.

Future minimum lease payments for the year ending December 31, 2023, is \$17,400. Total rent expense for the years ended December 31, 2022 and 2021, was \$17,763 and \$32,266, respectively.

**NATIONAL CENTER FOR TRANSGENDER EQUALITY AND ITS AFFILIATE**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2022 (with comparative totals for December 31, 2021)

---

**NOTE 5 – EQUIPMENT**

Property and equipment consisted of the following:

	2022	2021
Furniture and equipment	\$ 22,220	\$ 19,075
Website	56,659	32,858
Total equipment	78,879	51,933
Less accumulated depreciation and amortization	(49,581)	(43,932)
Equipment, net	\$ 29,298	\$ 8,001

**NOTE 6 – GRANTS AND CONTRIBUTIONS RECEIVABLE**

Grants and contributions receivable consist of the following:

	2022	2021
Receivable in less than one year	\$ 865,977	\$ 1,180,880
Receivable in more than one year	-	100,000
Grants and contributions receivable	\$ 865,977	\$ 1,280,880

**NOTE 7 – IN-KIND CONTRIBUTIONS**

In-kind contributions recognized within the statement of activities include:

	2022	2021
Advertising services	\$ 250,013	\$ -
Legal services	6,434	26,955
In-kind contributions	\$ 256,447	\$ 26,955

The Center recognized in-kind contributions within revenue on the accompanying statement of activities. Unless otherwise noted, the in-kind contributions did not have donor-imposed restrictions.

The donated legal services are used for programmatic and general and administrative activities and are recorded at the estimated fair market value of hourly rates charged. Advertising services are used for programmatic activities and is valued at the amount charged for similar space online.

**NATIONAL CENTER FOR TRANSGENDER EQUALITY AND ITS AFFILIATE**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2022 (with comparative totals for December 31, 2021)

---

---

**NOTE 8 – RETIREMENT PLAN**

The Center maintains a 403(b) retirement plan (the Plan) for all eligible employees. Participants may make voluntary contributions up to the maximum amount allowable by law. The Center contributes up to 1% non-elective and 2% match of an employee's annual salary for all eligible employees. The Center contributed \$41,899 and \$41,369 to the Plan during the year ended December 31, 2022 and 2021, respectively.

**NOTE 9 – PAYCHECK PROTECTION PROGRAM LOANS**

The Center received loans totaling \$472,962 under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the U.S. Small Business Administration (SBA). The loans accrue interest at 1% but payments are deferred for borrowers who apply for forgiveness until SBA remits the borrower's forgiveness amount to the lender. The amount of forgiveness depends, in part, on the total amount of eligible expenses paid by the Center during the covered period. Eligible expenses may include payroll costs, interest on mortgages, rent, and utilities. Any unforgiven portion is payable over five years. On August 12, 2021, the SBA preliminarily approved forgiveness of the Center's first draw loan and accrued interest. On March 2, 2022, the SBA preliminarily approved forgiveness of the Center's second draw loan and accrued interest. The Center must retain PPP documentation in its files for six years after the date the loan is forgiven or repaid in full and permit authorized representatives of SBA to access such files upon request. SBA may review any loan at any time at its discretion. Therefore, SBA may review the Center's good-faith certification concerning the necessity of its loan request, whether the Center calculated the loan amount correctly, whether the Center used loan proceeds for the allowable uses specified in the CARES Act, and whether the Center is entitled to loan forgiveness in the amount claimed on its application. If SBA determines the Center was ineligible for the loan or for forgiveness in whole or in part, SBA will seek repayment of the outstanding loan balance.

**NOTE 10 – EMPLOYEE RETENTION CREDITS**

During the year ended December 31, 2021, the Center claimed Employee Retention Credits (ERC) totaling \$415,055 under the provisions the Coronavirus Aid, Relief, and Economic Security Act, as amended. Employers are eligible for the ERC if they experience either a significant decline in gross receipts or the full or partial suspension of operations because of governmental orders limiting commerce, travel, or group meetings due to COVID-19. The Center determined it had a significant decline in gross receipts and claimed the ERC for all calendar quarters of 2020 and the first three calendar quarters of 2021. The Internal Revenue Service (IRS) generally has five years from the date an ERC claim is filed to audit the claim. Therefore, the IRS may audit the Center's eligibility for the ERC and its substantiation of the amounts claimed. If the IRS determines the Center was ineligible for the ERC, the Center could be required to repay the amount claimed along with penalties and interest.

**NATIONAL CENTER FOR TRANSGENDER EQUALITY AND ITS AFFILIATE**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2022 (with comparative totals for December 31, 2021)

---

**NOTE 11 – LIQUIDITY AND AVAILABILITY OF RESOURCES**

The following schedule reflects the Center’s financial assets as of December 31, 2022 and 2021, reduced by amounts not available for general expenditures within one year of the dates of the statement of financial position.

	2022	2021
Cash	\$ 2,223,031	\$ 1,917,275
Grants and contributions receivable	865,977	1,280,880
Accounts receivable	2,500	6,000
Investments	3,162,463	2,385,192
 Total financial assets at year end	 6,253,971	 5,589,347
 Less those unavailable for general expenditures within one year due to:		
Time restricted funds	-	(100,000)
Donor restricted funds	(1,076,435)	(1,017,368)
 Financial assets available to meet cash needs for general expenditures within one year	 \$ 5,177,536	 \$ 4,471,979

As part of the Center’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. In addition, the Center operates with a balanced budget and without any short or long-term non-operating debt.

**NOTE 12 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consisted of the following:

	2022	2021
Subject to passage of time	\$ 100,000	\$ 425,000
Subject to expenditures for specific purposes:		
U.S. Transgender Survey	175,346	379,266
State Administrative Policies	235,632	283,817
Project Magpie	384,488	-
Trans Legal Fiscal Sponsor	26,845	31,238
Communication Support	125,000	220,000
Trans ID	129,124	103,047
 Net assets with donor restrictions	 \$ 1,176,435	 \$ 1,442,368