

**THE TREVOR PROJECT, INC.  
AND SUBSIDIARIES**

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JULY 31, 2023

**THE TREVOR PROJECT, INC.  
AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS**

**YEAR ENDED JULY 31, 2023**

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THE GLOBAL ADVISORY  
AND ACCOUNTING NETWORK

**AUDIT  
AND  
ASSURANCE**

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
The Trevor Project, Inc., and Subsidiaries

### **Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the consolidated financial statements of The Trevor Project, Inc., and Subsidiaries (collectively, The Trevor Project), which comprise the consolidated statement of financial position as of July 31, 2023 and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of The Trevor Project as of July 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of The Trevor Project 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 Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Trevor Project's ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

**Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Trevor Project’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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Trevor Project’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.

*Green Hasson & Janks LLP*

April 9, 2024  
Los Angeles, California

**THE TREVOR PROJECT, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
July 31, 2023

| <b>ASSETS</b>                                 | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total                |
|---|-------------------------------|----------------------------|----------------------|
| Cash and Cash Equivalents - Undesignated      | \$ 5,330,192                  | \$ 745,000                 | \$ 6,075,192         |
| Cash and Cash Equivalents - Board Designated  | 803,415                       | -                          | 803,415              |
| Investments - Board Designated                | 17,091,225                    | -                          | 17,091,225           |
| Contributions Receivable (Net)                | 6,231,984                     | 2,921,237                  | 9,153,221            |
| Employee Retention Credit Receivable          | 1,039,818                     | -                          | 1,039,818            |
| Grants Receivable                             | 9,154,100                     | -                          | 9,154,100            |
| Prepaid Expenses and Other Assets             | 1,959,541                     | -                          | 1,959,541            |
| Property and Equipment (Net)                  | 663,776                       | -                          | 663,776              |
| <b>TOTAL ASSETS</b>                           | <b>\$ 42,274,051</b>          | <b>\$ 3,666,237</b>        | <b>\$ 45,940,288</b> |
| <b>LIABILITIES AND NET ASSETS</b>             |                               |                            |                      |
| <b>LIABILITIES:</b>                           |                               |                            |                      |
| Accounts Payable and Accrued Liabilities      | \$ 9,433,706                  | \$ -                       | \$ 9,433,706         |
| <b>NET ASSETS:</b>                            |                               |                            |                      |
| Without Donor Restrictions - Undesignated     | 14,945,705                    | -                          | 14,945,705           |
| Without Donor Restrictions - Board Designated | 17,894,640                    | -                          | 17,894,640           |
| With Donor Restrictions                       | -                             | 3,666,237                  | 3,666,237            |
| <b>TOTAL NET ASSETS</b>                       | <b>32,840,345</b>             | <b>3,666,237</b>           | <b>36,506,582</b>    |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>       | <b>\$ 42,274,051</b>          | <b>\$ 3,666,237</b>        | <b>\$ 45,940,288</b> |

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements

**THE TREVOR PROJECT, INC. AND SUBSIDIARIES**

CONSOLIDATED STATEMENT OF ACTIVITIES  
Year Ended July 31, 2023

|  | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total         |
|--|-------------------------------|----------------------------|---------------|
| <b>PUBLIC SUPPORT AND OTHER INCOME:</b>          |                               |                            |               |
| Contributions and Grants                         | \$ 62,527,102                 | \$ 9,410,500               | \$ 71,937,602 |
| Program Service Fees                             | 10,312,932                    | -                          | 10,312,932    |
| Contributed Goods and Services                   | 3,845,503                     | -                          | 3,845,503     |
| Investment Return (Net)                          | 1,116,903                     | -                          | 1,116,903     |
| Other Income                                     | 187,394                       | -                          | 187,394       |
| Net Assets Released from Donor Restrictions      | 10,760,082                    | (10,760,082)               | -             |
| <b>TOTAL PUBLIC SUPPORT AND<br/>OTHER INCOME</b> | 88,749,916                    | (1,349,582)                | 87,400,334    |
| <b>EXPENSES:</b>                                 |                               |                            |               |
| Program Services                                 | 84,548,655                    | -                          | 84,548,655    |
| Management and General                           | 10,511,460                    | -                          | 10,511,460    |
| Fundraising                                      | 10,173,623                    | -                          | 10,173,623    |
| <b>TOTAL EXPENSES</b>                            | 105,233,738                   | -                          | 105,233,738   |
| Foreign Currency Translation Adjustment          | 373,909                       | -                          | 373,909       |
| <b>CHANGE IN NET ASSETS</b>                      | (16,857,731)                  | (1,349,582)                | (18,207,313)  |
| Net Assets - Beginning of Year                   | 49,698,076                    | 5,015,819                  | 54,713,895    |
| <b>NET ASSETS - END OF YEAR</b>                  | \$ 32,840,345                 | \$ 3,666,237               | \$ 36,506,582 |

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements

**THE TREVOR PROJECT, INC. AND SUBSIDIARIES**

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
Year Ended July 31, 2023

|   | Program Services     |                     |                           |                      | Management<br>and General | Fundraising          | Total<br>Expenses     |
|---|----------------------|---------------------|---------------------------|----------------------|---------------------------|----------------------|-----------------------|
|   | Crisis<br>Services   | Research            | Advocacy and<br>Education | Total                |                           |                      |                       |
| Salaries  | \$ 31,761,644        | \$ 1,827,628        | \$ 2,092,409              | \$ 35,681,681        | \$ 5,679,814              | \$ 5,279,330         | \$ 46,640,825         |
| Payroll Taxes   | 2,702,592            | 145,927             | 167,068                   | 3,015,587            | 557,416                   | 421,528              | 3,994,531             |
| Employee Benefits                                       | 5,378,350            | 309,697             | 354,565                   | 6,042,612            | 960,118                   | 894,599              | 7,897,329             |
| <b>TOTAL PERSONNEL COSTS</b>                            | <b>39,842,586</b>    | <b>2,283,252</b>    | <b>2,614,042</b>          | <b>44,739,880</b>    | <b>7,197,348</b>          | <b>6,595,457</b>     | <b>58,532,685</b>     |
| Consulting and Professional Services                    | 22,060,833           | 1,289,885           | 1,476,760                 | 24,827,478           | 1,484,454                 | 2,051,446            | 28,363,378            |
| Information Technology                                  | 4,004,493            | 238,790             | 273,385                   | 4,516,668            | 651,437                   | 689,774              | 5,857,879             |
| Advertising and Public Awareness                        | 4,231,374            | 230,020             | 263,344                   | 4,724,738            | -                         | -                    | 4,724,738             |
| Legal Services  | 1,548,948            | 91,988              | 105,315                   | 1,746,251            | 254,890                   | 265,718              | 2,266,859             |
| Resource Development                                    | 1,317,740            | 78,506              | 89,880                    | 1,486,126            | 214,918                   | 226,774              | 1,927,818             |
| Travel  | 684,159              | 40,257              | 46,089                    | 770,505              | 115,472                   | 116,288              | 1,002,265             |
| Occupancy Costs   | 666,759              | 37,435              | 42,859                    | 747,053              | 126,437                   | 108,136              | 981,626               |
| Operations  | 415,718              | 24,703              | 28,282                    | 468,703              | 76,044                    | 71,359               | 616,106               |
| Provision for Uncollectible<br>Contributions Receivable | -                    | -                   | -                         | -                    | 334,681                   | -                    | 334,681               |
| Office Supplies   | 169,255              | 9,155               | 10,481                    | 188,891              | 34,788                    | 26,444               | 250,123               |
| Depreciation  | 129,037              | 7,695               | 8,809                     | 145,541              | 20,991                    | 22,227               | 188,759               |
| Donations and Promotional Awareness                     | 165,636              | 9,877               | 11,308                    | 186,821              | -                         | -                    | 186,821               |
| <b>TOTAL FUNCTIONAL EXPENSES</b>                        | <b>\$ 75,236,538</b> | <b>\$ 4,341,563</b> | <b>\$ 4,970,554</b>       | <b>\$ 84,548,655</b> | <b>\$ 10,511,460</b>      | <b>\$ 10,173,623</b> | <b>\$ 105,233,738</b> |

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements

# THE TREVOR PROJECT, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended July 31, 2023

### **CASH FLOWS FROM OPERATING ACTIVITIES:**

|  |                 |
|--|-----------------|
| Change in Net Assets                                 | \$ (18,207,313) |
| Adjustments to Reconcile Change in Net Assets to     |                 |
| Net Cash Used in Operating Activities:               |                 |
| Depreciation   | 188,759         |
| Provision for Uncollectible Contributions Receivable | 334,681         |
| Net Realized and Unrealized Gain on Investments      | (126,926)       |
| (Increase) Decrease in:                              |                 |
| Contributions Receivable                             | 1,943,230       |
| Employee Retention Credit Receivable                 | 2,078,495       |
| Grants Receivable                                    | (9,154,100)     |
| Prepaid Expenses and Other Assets                    | (1,477,599)     |
| Increase (Decrease) in:                              |                 |
| Accounts Payable and Accrued Liabilities             | 5,336,877       |

***NET CASH USED IN OPERATING ACTIVITIES*** (19,083,896)

### **CASH FLOWS FROM INVESTING ACTIVITIES:**

|                                    |           |
|------------------------------------|-----------|
| Purchase of Property and Equipment | (103,210) |
| Purchase of Investments            | (500,000) |
| Interest and Dividends Reinvested  | (434,591) |

***NET CASH USED IN INVESTING ACTIVITIES*** (1,037,801)

***NET DECREASE IN CASH AND CASH EQUIVALENTS*** (20,121,697)

Cash and Cash Equivalents - Beginning of Year 27,000,304

***CASH AND CASH EQUIVALENTS - END OF YEAR*** \$ 6,878,607

|  |              |
|--|--------------|
| Cash and Cash Equivalents - Undesignated     | \$ 6,075,192 |
| Cash and Cash Equivalents - Board Designated | 803,415      |

***TOTAL CASH AND CASH EQUIVALENTS*** \$ 6,878,607

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements



# THE TREVOR PROJECT, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

July 31, 2023

### NOTE 1 - ORGANIZATION

The Trevor Project, Inc., a 501(c)(3) nonprofit organization, is the leading suicide prevention and crisis intervention organization for LGBTQ+ (lesbian, gay, bisexual, transgender, queer, and questioning) young people. The organization offers 24/7 crisis services, connecting highly trained counselors with LGBTQ+ young people whenever they need support. To drive prevention efforts, The Trevor Project, Inc. also operates robust research, advocacy, education, and peer support programs. The Trevor Project, Inc. also serves LGBTQ+ young people in Mexico through The Trevor Project Mexico for LGBTQ Young Lives, A.C., a Mexican civil association (Trevor Mexico).

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) BASIS OF PRESENTATION

The consolidated financial statements include the accounts of The Trevor Project, Inc., its single member LLC, The Trevor Project International, LLC, and The Trevor Project Mexico for LGBTQ Young Lives, A.C. and have been prepared on the accrual basis of accounting. All significant inter-company transactions and balances have been eliminated on consolidation.

#### (b) NET ASSETS

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

- **Net Assets Without Donor Restrictions.** Net assets available for use in general operations and not subject to donor-imposed restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.
- **Net Assets With Donor Restrictions.** Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

# THE TREVOR PROJECT, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

July 31, 2023

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

#### (c) CASH AND CASH EQUIVALENTS

Cash and cash equivalents are short-term, highly liquid investments with maturities of three months or less at the time of purchase. The carrying value of cash and cash equivalents at July 31, 2023 approximates its fair value.

The Trevor Project maintains its cash and cash equivalents in bank deposit accounts and other investment accounts, which, at times, may exceed federally insured limits. The Trevor Project has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

#### (d) INVESTMENTS

Investments in equity and debt securities with readily determinable market values are reported at fair value. Investment purchases and sales are accounted for on a trade-date basis. Interest income is recorded as earned on an accrual basis, and dividend income is recorded based upon the ex-dividend date. Realized gains and losses are calculated based upon the underlying cost of the securities traded. Unrealized gains and losses are included in investment return in the consolidated statement of activities and represent the change in the difference between the cost and fair value of investments held at the end of the fiscal year.

#### (e) REVENUE RECOGNITION, CONTRIBUTIONS AND GRANTS RECEIVABLE

The Trevor Project recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest are received. At July 31, 2023, The Trevor Project evaluated the collectability of contributions receivable and determined that an allowance for uncollectible contributions receivable of \$378,251 was necessary.

Contributions receivable expected to be collected within one year are recorded at their net realizable value. Contributions receivable expected to be collected in future years are recorded at the present value of estimated future cash flows discounted at an appropriate market interest rate at the time of the contribution. At July 31, 2023, the discount on contributions receivable to be collected in future years was \$212,165.

Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. There were no conditional promises to give at July 31, 2023. Intentions to give are not included as support until payments are made or enforceable promises to give are executed.

# THE TREVOR PROJECT, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

July 31, 2023

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

**(e) REVENUE RECOGNITION, CONTRIBUTIONS AND GRANTS RECEIVABLE**  
(continued)

The Trevor Project recognizes revenues from government and non-government grants and contracts as either contributions or exchange transaction revenues, depending on whether the transaction is reciprocal or nonreciprocal.

During the year ended July 31, 2023, a portion of The Trevor Project's contributions and grants revenue was derived from nonreciprocal cost-reimbursable federal contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when The Trevor Project has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures or fulfilling the specific performance obligations are reported as deferred revenue in the consolidated statement of financial position.

In addition, The Trevor Project earned program services fees revenue during the year ended July 31, 2023 which were based on units of service delivered as the related service was provided.

**(f) PROPERTY AND EQUIPMENT**

Property and equipment are recorded at cost if purchased or at fair value at the date of donation if donated. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets. Property and equipment are capitalized if the cost of an asset is greater than or equal to \$5,000 and the useful life is greater than one year.

|                         |           |
|-------------------------|-----------|
| Computers and Software  | 3-5 Years |
| Furniture and Equipment | 5 Years   |
| Website                 | 3-5 Years |

**(g) LONG-LIVED ASSETS**

The Trevor Project reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the book value of the assets may not be recoverable. An impairment loss is recognized when the sum of the undiscounted future cash flows is less than the carrying amount of the asset, in which case a write-down is recorded to reduce the related asset to its estimated fair value. No impairment losses were recognized on long-lived assets during the year ended July 31, 2023.

# THE TREVOR PROJECT, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

July 31, 2023

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

#### (h) CONTRIBUTED GOODS AND SERVICES

Contributed goods and services are recorded as contributions at their estimated fair value in the period received, and expensed when utilized or sold. Contributed goods and services are valued based upon estimates of fair market value that would be received for selling the goods in their principal market considering their condition and utility for use at the time the goods are contributed by the donor. Contributed goods and services are not sold but rather used for The Trevor Project's programs and operations.

Contributed goods and services that consist of donated services are recognized at fair value if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

#### (i) ADVERTISING COSTS

Advertising costs are expensed as they are incurred. For the year ended July 31, 2023, advertising and public awareness expense was \$4,724,738.

#### (j) EMPLOYEE RETENTION CREDIT

The Trevor Project qualified for the Employee Retention Credit (ERC), a refundable payroll tax credit program enacted by the Coronavirus Aid, Relief, and Economic Security (CARES) Act in March 2020. The Trevor Project accounted for the ERC as a conditional government grant and considers that it substantially met the various conditions prescribed in the ERC program for the period of January 1, 2020 through June 30, 2021. During the year ended July 31, 2023 a total of \$2,140,630, which included interest income of \$62,135, was collected from the Internal Revenue Service. The remaining ERC receivable of \$1,039,818 was collected in full in December 2023.

#### (k) INCOME TAXES

The Trevor Project is exempt from federal taxation under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d. The Trevor Project together with its single member LLC, The Trevor Project International LLC, control Trevor Mexico.

In accordance with the Financial Accounting Standards Board's (FASB) Accounting Standards Codification Topic No. 740, *Uncertainty in Income Taxes*, The Trevor Project recognizes the impact of tax positions in the consolidated financial statements if that position is more likely than not to be sustained on audit, based on the technical merits of the position. During the year ended July 31, 2023, The Trevor Project performed an evaluation of uncertain tax positions and did not note any matters that would require recognition in the consolidated financial statements or which might have an effect on its tax-exempt status.

# THE TREVOR PROJECT, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

July 31, 2023

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

#### (l) FOREIGN CURRENCY

The accounts of Trevor Mexico are maintained in its functional currency, which is the Mexican pesos. Assets and liabilities have been translated into the reporting currency at year-end exchange rates, and related revenues and expenses have been translated at average rates of exchange in effect during the year.

#### (m) FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing The Trevor Project's programs and other activities have been presented in the consolidated statement of functional expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit. The expenses that are allocated include salaries, employee benefits, payroll taxes, depreciation, in-kind legal services, professional services, supplies and occupancy costs, operations, processing fees, resource development and travel. These expenses are allocated on the basis of estimates of time and effort.

#### (n) USE OF ESTIMATES

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

#### (o) NEW ACCOUNTING PRONOUNCEMENT

In June 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which replaces the incurred loss impairment methodology previously used for certain financial instruments with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates in their measurement. The guidance has subsequently been amended through a series of targeted ASUs. For The Trevor Project, the ASU and the subsequent amendments will be effective for the year ending July 31, 2024, and are expected to be adopted using the modified-retrospective approach.

#### (p) SUBSEQUENT EVENTS

The Trevor Project evaluated events and transactions occurring subsequent to the consolidated statement of financial position date of July 31, 2023, for items that should potentially be recognized or disclosed in these consolidated financial statements. The evaluation was conducted through April 9, 2024, the date these consolidated financial statements were available to be issued. No such material events or transactions were noted to have occurred.

# THE TREVOR PROJECT, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS July 31, 2023

### NOTE 3 - INVESTMENTS

The Trevor Project has implemented the fair value accounting standard for those assets (and liabilities) that are re-measured and reported at fair value at each reporting period. This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value based on inputs used, and requires additional disclosures about fair value measurements. The standard applies to fair value measurements already required or permitted by existing standards.

In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets (or liabilities). Fair values determined by Level 2 inputs utilize data points that are observable such as quoted prices, interest rates and yield curves. Fair values determined by Level 3 inputs are unobservable data points for the asset (or liability) and include situations where there is little, if any, market activity for the asset (or liability).

The following table presents information about The Trevor Project's assets that are measured at fair value on a recurring basis at July 31, 2023 and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair value:

|                          | Year Ended<br>July 31, 2023 | Fair Value Measurements Using   |   |  |
|--------------------------|-----------------------------|---|---|--|
|                          |                             | Quoted Prices<br>in Active<br>Markets for<br>Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| Money Market             | \$ 2,075,098                | \$ 2,075,098  | \$ -  | \$ -   |
| Mutual Funds:            |                             |   |   |  |
| Equities                 | 7,363,417                   | 7,363,417   | -   | -  |
| Fixed Income             | 4,026,755                   | 4,026,755   | -   | -  |
| U.S. Treasury Bills      | 3,420,450                   | 3,420,450   | -   | -  |
| Real Assets              | 205,505                     | 205,505   | -   | -  |
| <b>TOTAL INVESTMENTS</b> | <b>\$ 17,091,225</b>        | <b>\$ 17,091,225</b>  | <b>\$ -</b>   | <b>\$ -</b>  |

The fair value of investments within Level 1 was obtained based on quoted market prices at the closing of the last business day of the fiscal year or based on data points that are observable, such as quoted prices in active markets.

# THE TREVOR PROJECT, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS July 31, 2023

### NOTE 4 - CONTRIBUTIONS RECEIVABLE

At July 31, 2023, contributions receivable are due to be collected as follows:

|   |                            |
|---|----------------------------|
| Within One Year                               | \$ 8,158,507               |
| Two to Five Years                             | 1,501,867                  |
| Thereafter                                    | <u>83,263</u>              |
| <b>TOTAL CONTRIBUTIONS RECEIVABLE - GROSS</b> | <b>9,743,637</b>           |
| Less: Present Value Discount                  | (212,165)                  |
| Less: Allowance for Doubtful Accounts         | <u>(378,251)</u>           |
| <b>TOTAL CONTRIBUTIONS RECEIVABLE (NET)</b>   | <b><u>\$ 9,153,221</u></b> |

### NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment at July 31, 2023 consist of the following:

|   |                          |
|---|--------------------------|
| Computers and Software                    | \$ 1,481,096             |
| Furniture and Equipment                   | <u>44,946</u>            |
| <b>TOTAL</b>                              | <b>1,526,042</b>         |
| Less: Accumulated Depreciation            | <u>(862,266)</u>         |
| <b>TOTAL PROPERTY AND EQUIPMENT (NET)</b> | <b><u>\$ 663,776</u></b> |

Depreciation expense for the year ended July 31, 2023 was \$188,759.

### NOTE 6 - CONTRIBUTED GOODS AND SERVICES

The Trevor Project received the following contributed services for the year ended July 31, 2023:

| Category                                    | Valuation                            | Amount                     |
|---|--------------------------------------|----------------------------|
| Legal Services                              | Comparable Rate for Similar Services | \$ 1,603,434               |
| Advertising and Public Awareness            | Comparable Rate for Similar Services | 1,820,069                  |
| Other                                       | Comparable Rate for Similar Services | <u>422,000</u>             |
| <b>TOTAL CONTRIBUTED GOODS AND SERVICES</b> |                                      | <b><u>\$ 3,845,503</u></b> |

There are no restrictions on the in-kinds received from donors, and expenses associated with these in-kind donations are used toward both program services and support services and are allocated in line with the method used for other expenses reported on the consolidated statement of functional expenses.

# THE TREVOR PROJECT, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

July 31, 2023

### NOTE 7 - EMPLOYEE BENEFIT PLAN

The Trevor Project sponsors an Internal Revenue Code Section 403(b) qualified defined contribution retirement plan covering all of its employees, subject to eligibility requirements. The Trevor Project contributes up to a 3% match for employees contributing to the plan, in accordance with plan provisions. Employer contributions under this plan for the year ended July 31, 2023 were \$720,994.

### NOTE 8 - NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions consist of undesignated and Board designated amounts as follows at July 31, 2023:

|  |                             |
|--|-----------------------------|
| Undesignated   | \$ 14,945,705               |
| Board Designated Operating Reserve                     | <u>17,894,640</u>           |
| <b>TOTAL NET ASSETS WITHOUT<br/>DONOR RESTRICTIONS</b> | <b><u>\$ 32,840,345</u></b> |

### NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at July 31, 2023:

|   |                            |
|---|----------------------------|
| Subject to the Passage of Time:                     |                            |
| Contributions Receivable Restricted by Time         | \$ 2,921,237               |
| Subject to Expenditure for Specified Purpose:       |                            |
| Crisis Services                                     | 500,000                    |
| Advocacy  | 225,000                    |
| Education   | <u>20,000</u>              |
| <b>TOTAL NET ASSETS WITH<br/>DONOR RESTRICTIONS</b> | <b><u>\$ 3,666,237</u></b> |



# THE TREVOR PROJECT, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

July 31, 2023

### NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS (continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended July 31, 2023:

|  |                             |
|--|-----------------------------|
| Satisfaction of Purpose Restrictions:                        |                             |
| Crisis Services  | \$ 2,317,500                |
| Advocacy   | 1,175,000                   |
| Education  | 328,791                     |
| Other Programs   | 4,762,764                   |
| Release of Time Restrictions                                 | <u>2,176,027</u>            |
| <b>TOTAL NET ASSETS RELEASED<br/>FROM DONOR RESTRICTIONS</b> | <u><u>\$ 10,760,082</u></u> |

### NOTE 10 - COMMITMENTS AND CONTINGENCIES

In the normal course of business, The Trevor Project may become a party to litigation. Management believes there are no asserted or unasserted claims or contingencies that would have a material impact on the consolidated financial statements of The Trevor Project as of July 31, 2023.

### NOTE 11 - LINE OF CREDIT

The Trevor Project has a securities-based line of credit facility secured by a money market account with a current availability of approximately \$2,700,000 and an interest rate of SOFR less a discount of 2.1%. There were no draws on the line of credit at July 31, 2023 and the SOFR at July 31, 2023 was 5.31%.

# THE TREVOR PROJECT, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

July 31, 2023

### NOTE 12 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The total financial assets held by The Trevor Project at July 31, 2023 and the amounts of those financial assets that could be made available for general expenditures within one year of the date of the consolidated statement of financial position are summarized in the following table:

|  |                             |
|--|-----------------------------|
| Financial Assets at July 31, 2023:   |                             |
| Cash and Cash Equivalents  | \$ 5,330,192                |
| Contributions Receivable (Net)   | 6,231,984                   |
| Employee Retention Credit Receivable   | 1,039,818                   |
| Grants Receivable  | <u>9,154,100</u>            |
| <b>FINANCIAL ASSETS AVAILABLE TO<br/>MEET GENERAL EXPENDITURES<br/>WITHIN ONE YEAR</b> | <u><u>\$ 21,756,094</u></u> |

The Trevor Project regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. As part of The Trevor Project's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The Trevor Project has various sources of liquidity at its disposal, including cash and cash equivalents. In addition, it has a Board designated operating reserve of \$17,894,640 that could be drawn upon for emergency liquidity needs.