

THE TREVOR PROJECT, INC.

FINANCIAL STATEMENTS

YEAR ENDED JULY 31, 2021

THE TREVOR PROJECT, INC.
FINANCIAL STATEMENTS YEAR
ENDED JULY 31, 2021

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WE ARE AN INDEPENDENT MEMBER OF
THE GLOBAL ADVISORY
AND ACCOUNTING NETWORK

**AUDIT
AND
ASSURANCE**

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Trevor Project, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of The Trevor Project, Inc. which comprise the statement of financial position as of July 31, 2021, and the related statements of activities, 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 from 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 the assessment of the risks of 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.

To the Board of Directors
The Trevor Project, Inc.
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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Trevor Project, Inc. as of July 31, 2021, 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.

Green Hasson & Janks LLP

July 1, 2022
Los Angeles, California

THE TREVOR PROJECT, INC.

STATEMENT OF FINANCIAL POSITION

July 31, 2021

ASSETS	Without Donor Restrictions	With Donor Restrictions	Total
Cash and Cash Equivalents - Undesignated	\$ 12,083,369	\$ 1,190,602	\$ 13,273,971
Cash and Cash Equivalents - Board Designated	29,983,638	-	29,983,638
Contributions Receivable (Net)	3,980,258	1,992,343	5,972,601
Prepaid Expenses and Other Assets	476,978	-	476,978
Property and Equipment (Net)	496,948	-	496,948
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	\$ 47,021,191	\$ 3,182,945	\$ 50,204,136
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES AND NET ASSETS			
LIABILITIES:			
Accounts Payable and Accrued Liabilities	\$ 2,133,950	\$ -	\$ 2,133,950
NET ASSETS:			
Without Donor Restrictions - Undesignated	14,903,603	-	14,903,603
Without Donor Restrictions - Board Designated	29,983,638	-	29,983,638
With Donor Restrictions	-	3,182,945	3,182,945
	<hr/>	<hr/>	<hr/>
TOTAL NET ASSETS	44,887,241	3,182,945	48,070,186
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES AND NET ASSETS	\$ 47,021,191	\$ 3,182,945	\$ 50,204,136
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The Accompanying Notes are an Integral Part of These Financial Statements

THE TREVOR PROJECT, INC.

STATEMENT OF ACTIVITIES
Year Ended July 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND OTHER INCOME:			
Contributions and Grants	\$ 42,562,436	\$ 8,154,630	\$ 50,717,066
Contributed Goods and Services	6,355,523	-	6,355,523
Paycheck Protection Program Grant	1,410,300	-	1,410,300
Other Income	18,410	-	18,410
Net Assets Released from Donor Restrictions	8,931,342	(8,931,342)	-
TOTAL PUBLIC SUPPORT AND OTHER INCOME	59,278,011	(776,712)	58,501,299
EXPENSES:			
Program Services	31,314,369	-	31,314,369
Management and General	3,514,278	-	3,514,278
Fundraising	3,525,878	-	3,525,878
TOTAL EXPENSES	38,354,525	-	38,354,525
CHANGE IN NET ASSETS	20,923,486	(776,712)	20,146,774
Net Assets - Beginning of Year	23,963,755	3,959,657	27,923,412
NET ASSETS - END OF YEAR	\$ 44,887,241	\$ 3,182,945	\$ 48,070,186

The Accompanying Notes are an Integral Part of These Financial Statements

THE TREVOR PROJECT, INC.

STATEMENT OF FUNCTIONAL EXPENSES Year Ended July 31, 2021

	Program Services:			
	Suicide Prevention and Crisis Intervention	Management and General	Fundraising	Total
Salaries	\$ 12,917,730	\$ 1,400,042	\$ 1,646,445	\$ 15,964,217
Payroll Taxes	949,012	102,855	120,957	1,172,824
Employee Benefits	1,755,415	190,254	223,739	2,169,408
TOTAL PERSONNEL COSTS	15,622,157	1,693,151	1,991,141	19,306,449
Advertising and Public Awareness	3,129,799	-	-	3,129,799
Write-Off of Uncollectible Contributions Receivable	-	218,479	-	218,479
Depreciation	98,445	10,670	12,547	121,662
Donations and Promotional Awareness	521,127	-	-	521,127
Information Technology	2,049,745	222,154	261,253	2,533,152
Legal Services	781,104	84,657	99,557	965,318
Occupancy Costs	622,350	365,044	79,322	1,066,716
Office Supplies	57,067	6,189	7,274	70,530
Consulting and Professional Services	6,060,545	656,850	772,454	7,489,849
Operations	499,937	54,184	63,720	617,841
Resource Development	1,840,805	199,509	234,622	2,274,936
Travel	31,288	3,391	3,988	38,667
TOTAL	\$ 31,314,369	\$ 3,514,278	\$ 3,525,878	\$ 38,354,525

The Accompanying Notes are an Integral Part of These Financial Statements

THE TREVOR PROJECT, INC.

STATEMENT OF CASH FLOWS Year Ended July 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets	\$ 20,146,774
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Paycheck Protection Program Grant	(1,410,300)
Depreciation	121,662
Write-Off of Uncollectible Contributions Receivable	218,479
(Increase) Decrease in:	
Contributions Receivable	(1,250,243)
Prepaid Expenses and Other Assets	355,296
Increase (Decrease) in:	
Accounts Payable and Accrued Liabilities	562,523
Deferred Rent	(19,082)
Deferred Revenue	(20,000)

NET CASH PROVIDED BY OPERATING ACTIVITIES 18,705,109

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of Property and Equipment	<u>(272,668)</u>
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NET INCREASE IN CASH AND CASH EQUIVALENTS 18,432,441

Cash and Cash Equivalents - Beginning of Year	<u>24,825,168</u>
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CASH AND CASH EQUIVALENTS - END OF YEAR \$ 43,257,609

Cash and Cash Equivalents - Undesignated	\$ 13,273,971
Cash and Cash Equivalents - Board Designated	<u>29,983,638</u>

TOTAL CASH AND CASH EQUIVALENTS \$ 43,257,609

The Accompanying Notes are an Integral Part of These Financial Statements

THE TREVOR PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS

July 31, 2021

NOTE 1 - ORGANIZATION

The Trevor Project, Inc. (the Organization), a 501(c)(3) nonprofit organization, is the world's largest suicide prevention and crisis intervention organization for LGBTQ (lesbian, gay, bisexual, transgender, queer, and questioning) young people. The Organization works to save young lives by providing support through free and confidential suicide prevention and crisis intervention programs on platforms where young people spend their time: the 24/7 phone lifeline, chat, text and soon-to-come integrations with social media platforms. The Organization also runs TrevorSpace, the world's largest safe space social networking site for LGBTQ youth, and operates innovative education, research, and advocacy programs.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PRESENTATION

The accompanying financial statements have been prepared on the accrual basis of accounting.

(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.

NOTES TO FINANCIAL STATEMENTS

July 31, 2021

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, 2021 approximates its fair value.

The Organization maintains its cash and cash equivalents in bank deposit accounts and other investment accounts, which, at times, may exceed federally insured limits. The Organization 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) CONTRIBUTIONS AND CONTRIBUTIONS RECEIVABLE

The Organization 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, 2021, the Organization evaluated the collectability of contributions receivable and determined that an allowance for uncollectible contributions receivable of \$273,849 was necessary.

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. At July 31, 2021 the Organization was in receipt of conditional promises to give of \$3,275,000.

Intentions to give are not included as support until payments are made or enforceable promises to give are executed.

(e) 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 \$1,500 and the useful life is greater than one year.

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

THE TREVOR PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS

July 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) LONG-LIVED ASSETS

The Organization 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, 2021.

(g) CONTRIBUTED GOODS AND SERVICES

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

(h) ADVERTISING COSTS

Advertising costs are expensed as they are incurred. For the year ended July 31, 2021, advertising and public relations expense was \$3,129,799.

(i) PAYCHECK PROTECTION PROGRAM GRANT

In April 2020, the Organization applied for and received a Paycheck Protection Program (PPP) loan in the amount of \$1,410,300. The PPP loan, administered by the Small Business Administration (SBA), had a fixed interest rate of 1.0% per annum, a term of two years, and was unsecured and guaranteed by the SBA. The Organization elected to account for the forgivable loan received under the PPP provisions of the Coronavirus Aid, Relief, and Economic Security (CARES) Act as a conditional government grant. The Organization concluded that the PPP loan represents, in substance, a grant that is expected to be recognized as revenue when the associated conditions are met. Under this approach, the timing of recognition of the contribution revenue depends on when the various conditions of the PPP are substantially met or explicitly waived. The Organization met the conditions for recognition of the full amount of the PPP during the year ended July 31, 2021, and this amount is presented as Paycheck Protection Program grant income in the accompanying statement of activities.

THE TREVOR PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS

July 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) INCOME TAXES

The Organization is exempt from federal taxation under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d.

In accordance with the Financial Accounting Standards Board's (FASB) Accounting Standards Codification Topic No. 740, *Uncertainty in Income Taxes*, the Organization recognizes the impact of tax positions in the 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, 2021, the Organization performed an evaluation of uncertain tax positions and did not note any matters that would require recognition in the financial statements or which might have an effect on its tax-exempt status.

(k) FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the Organization's programs and other activities have been presented in the 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.

(l) USE OF ESTIMATES

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

(m) NEW ACCOUNTING PRONOUNCEMENTS

In September 2020, FASB issued Accounting Standards Update (ASU) No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU is intended to improve transparency in the reporting of contributed nonfinancial assets (also known as gifts-in-kind) received by not-for-profit organizations, including transparency on how those assets are used and how they are valued. For the Organization, the ASU will be effective for the year ending July 31, 2022.

THE TREVOR PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS

July 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) SUBSEQUENT EVENTS

The Organization evaluated events and transactions occurring subsequent to the statement of financial position date of July 31, 2021, for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through July 1, 2022, the date these financial statements were available to be issued. No such material events or transactions were noted to have occurred.

NOTE 3 - CONTRIBUTIONS RECEIVABLE

At July 31, 2021, contributions receivable are due to be collected as follows:

Within One Year	\$ 5,408,187
Two to Five Years	650,000
Thereafter	<u>188,263</u>
TOTAL	6,246,450
Less: Allowance for Doubtful Accounts	<u>(273,849)</u>
TOTAL CONTRIBUTIONS RECEIVABLE (NET)	<u>\$ 5,972,601</u>

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment at July 31, 2021 consist of the following:

Computers and Software	\$ 993,910
Website	62,000
Furniture and Equipment	<u>66,291</u>
TOTAL	1,122,201
Less: Accumulated Depreciation	<u>(625,253)</u>
TOTAL PROPERTY AND EQUIPMENT (NET)	<u>\$ 496,948</u>

Depreciation expense for the year ended July 31, 2021 was \$121,662.

THE TREVOR PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS

July 31, 2021

NOTE 5 - CONTRIBUTED GOODS AND SERVICES

The Organization received the following contributed services for the year ended July 31, 2021:

Advertising and Public Awareness	\$ 2,163,244
Consulting and Professional Services	3,174,360
Legal Services	938,301
Other	<u>79,618</u>
TOTAL CONTRIBUTED GOODS AND SERVICES	<u>\$ 6,355,523</u>

NOTE 6 - EMPLOYEE BENEFIT PLAN

The Organization sponsors an Internal Revenue Code Section 403(b) qualified defined contribution retirement plan covering all of its employees, subject to eligibility requirements. The Organization 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, 2021 were \$248,809.

NOTE 7 - NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions consist of undesignated and Board designated amounts as follows at July 31, 2021:

Undesignated	\$ 14,903,603
Board Designated Operating Reserve	<u>29,983,638</u>
TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>\$ 44,887,241</u>

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at July 31, 2021:

Subject to Expenditure for Specified Purpose:	
Crisis Services	\$ 898,032
Education	487,198
Other Programs	318,085
Subject to the Passage of Time:	
Contributions Receivable Restricted by Time	<u>1,479,630</u>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 3,182,945</u>

THE TREVOR PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS

July 31, 2021

NOTE 8 - 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, 2021:

Satisfaction of Purpose Restrictions:	
Advocacy	\$ 390,000
Crisis Services	3,680,395
Digital Services	2,999,680
Education	714,787
Volunteer Program	146,700
Other Programs	<u>999,780</u>
TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS	<u>\$ 8,931,342</u>

NOTE 9 - COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Organization 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 financial statements of the Organization as of July 31, 2021.

NOTE 10 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The total financial assets held by the Organization at July 31, 2021 and the amounts of those financial assets that could be made available for general expenditures within one year of the date of the statement of financial position are summarized in the following table:

Financial Assets at July 31, 2021:	
Cash and Cash Equivalents	\$ 12,083,369
Contributions Receivable (Net)	<u>3,980,258</u>
FINANCIAL ASSETS AVAILABLE TO MEET GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 16,063,627</u>

The Organization 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 Organization'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 Organization has various sources of liquidity at its disposal, including cash and cash equivalents. In addition, it has a Board designated operating reserve of \$29,983,638 that could be drawn upon for emergency liquidity needs.