

THE **TREVOR** PROJECT  
*Saving Young LGBTQ Lives*

**FINANCIAL REPORT  
JULY 31, 2020**

**THE TREVOR PROJECT, INC.**  
**CONTENTS**

---

|                                     | Page   |
|-------------------------------------|--------|
| <b>INDEPENDENT AUDITOR'S REPORT</b> | 1 – 2  |
| <b>FINANCIAL STATEMENTS</b>         |        |
| Statements of Financial Position    | 3      |
| Statements of Activities            | 4 – 5  |
| Statements of Functional Expenses   | 6 – 7  |
| Statements of Cash Flows            | 8      |
| Notes to Financial Statements       | 9 – 17 |

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
The Trevor Project, Inc.

### Report on the Financial Statements

We have audited the accompanying financial statements of The Trevor Project, Inc. (the "Organization"), which comprise the statements of financial position as of July 31, 2020 and 2019, the related statements of activities, functional expenses, and cash flows for the years 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 audits. We conducted our audits 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 organization'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 organization'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.

Board of Directors  
The Trevor Project, Inc.  
Page Two

**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, 2020 and 2019, 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.

*Singer Lewak LLP*

March 6, 2021

**THE TREVOR PROJECT, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**July 31, 2020 and 2019**

**ASSETS**

|   | <b>2020</b>          | <b>2019</b>          |
|---|----------------------|----------------------|
| <b>Assets</b>                             |                      |                      |
| Cash                                      | \$ 6,559,145         | \$ 5,184,368         |
| Contributions receivable, net             | 4,940,837            | 4,291,275            |
| Prepaid expenses and other assets         | 832,274              | 566,626              |
| Board designated cash equivalents         | 18,180,577           | 8,059,347            |
| Restricted cash                           | 85,446               | 85,409               |
| Equipment and leasehold improvements, net | 345,942              | 308,083              |
| <b>Total assets</b>                       | <b>\$ 30,944,221</b> | <b>\$ 18,495,108</b> |

**LIABILITIES AND NET ASSETS**

|   |                      |                      |
|---|----------------------|----------------------|
| <b>Liabilities</b>                          |                      |                      |
| Accounts payable and accrued expenses       | \$ 1,571,427         | \$ 1,170,915         |
| Deferred revenue                            | 20,000               | 25,000               |
| Deferred rent                               | 19,082               | 15,833               |
| Grant advance                               | 1,410,300            | -                    |
| Total liabilities                           | 3,020,809            | 1,211,748            |
| <b>Net assets</b>                           |                      |                      |
| Without donor restrictions                  |                      |                      |
| Undesignated                                | 5,783,178            | 8,528,709            |
| Board-designated operating reserve          | 18,180,577           | 8,059,347            |
| Total net assets without donor restrictions | 23,963,755           | 16,588,056           |
| With donor restrictions                     | 3,959,657            | 695,304              |
| Total net assets                            | 27,923,412           | 17,283,360           |
| <b>Total liabilities and net assets</b>     | <b>\$ 30,944,221</b> | <b>\$ 18,495,108</b> |

See notes to financial statements.

**THE TREVOR PROJECT, INC.**  
**STATEMENT OF ACTIVITIES**  
Year Ended July 31, 2020

|  | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total                |
|--|-------------------------------|----------------------------|----------------------|
| <b>Revenue and support</b>                                 |                               |                            |                      |
| Contributions  | \$ 21,674,712                 | \$ 6,166,163               | \$ 27,840,875        |
| In-kind services   | 5,079,035                     | -                          | 5,079,035            |
| Grants   | 736,000                       | -                          | 736,000              |
| Special event revenue, net<br>of direct benefits to donors | 946,976                       | -                          | 946,976              |
| Other income   | 43,855                        | -                          | 43,855               |
| Net assets released from restrictions                      | 2,901,810                     | (2,901,810)                | -                    |
| Total revenue and support                                  | 31,382,388                    | 3,264,353                  | 34,646,741           |
| <b>Expenses</b>  |                               |                            |                      |
| Program services   | 20,656,291                    | -                          | 20,656,291           |
| General and administrative                                 | 1,318,461                     | -                          | 1,318,461            |
| Fundraising  | 2,031,937                     | -                          | 2,031,937            |
| Total expenses   | 24,006,689                    | -                          | 24,006,689           |
| <b>Change in net assets</b>                                | 7,375,699                     | 3,264,353                  | 10,640,052           |
| <b>Net assets, beginning of year</b>                       | 16,588,056                    | 695,304                    | 17,283,360           |
| <b>Net assets, end of year</b>                             | <b>\$ 23,963,755</b>          | <b>\$ 3,959,657</b>        | <b>\$ 27,923,412</b> |

See notes to financial statements.

**THE TREVOR PROJECT, INC.**  
**STATEMENT OF ACTIVITIES**  
Year Ended July 31, 2019

|  | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total                |
|--|-------------------------------|----------------------------|----------------------|
| <b>Revenue and support</b>                                 |                               |                            |                      |
| Contributions  | \$ 15,612,083                 | \$ 1,093,231               | \$ 16,705,314        |
| In-kind services   | 1,758,634                     | -                          | 1,758,634            |
| Grants   | 1,121,500                     | -                          | 1,121,500            |
| Special event revenue, net<br>of direct benefits to donors | 2,617,692                     | -                          | 2,617,692            |
| Other income   | 21,976                        | -                          | 21,976               |
| Net assets released from restrictions                      | 1,274,144                     | (1,274,144)                | -                    |
| Total revenue and support                                  | 22,406,029                    | (180,913)                  | 22,225,116           |
| <b>Expenses</b>  |                               |                            |                      |
| Program services   | 12,414,057                    | -                          | 12,414,057           |
| General and administrative                                 | 863,192                       | -                          | 863,192              |
| Fundraising  | 1,392,304                     | -                          | 1,392,304            |
| Total expenses   | 14,669,553                    | -                          | 14,669,553           |
| <b>Change in net assets</b>                                | 7,736,476                     | (180,913)                  | 7,555,563            |
| <b>Net assets, beginning of year</b>                       | 8,851,580                     | 876,217                    | 9,727,797            |
| <b>Net assets, end of year</b>                             | <b>\$ 16,588,056</b>          | <b>\$ 695,304</b>          | <b>\$ 17,283,360</b> |

See notes to financial statements.

**THE TREVOR PROJECT, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended July 31, 2020

|  | Program<br>Services         | Supporting Services           |                            |                            | Total                       |
|--|-----------------------------|-------------------------------|----------------------------|----------------------------|-----------------------------|
|  |                             | General and<br>Administrative | Fundraising                | Total                      |                             |
| Salaries, taxes, and benefits  | \$ 9,978,838                | \$ 669,894                    | \$ 1,053,911               | \$ 1,723,805               | \$ 11,702,643               |
| Advertising and public relations   | 822,805                     | -                             | -                          | -                          | 822,805                     |
| Depreciation and amortization  | 92,411                      | 6,204                         | 9,760                      | 15,964                     | 108,375                     |
| In-kind legal services   | 871,855                     | 58,529                        | 92,081                     | 150,610                    | 1,022,465                   |
| Information technology   | 3,229,574                   | 216,806                       | 341,090                    | 557,896                    | 3,787,470                   |
| Occupancy costs  | 1,203,599                   | 80,799                        | 127,771                    | 208,570                    | 1,412,169                   |
| Office supplies  | 237,976                     | 15,976                        | 25,134                     | 41,110                     | 279,086                     |
| Other expenses   | 672,650                     | 32,166                        | 50,606                     | 82,772                     | 755,422                     |
| Professional services  | 2,573,228                   | 172,745                       | 241,771                    | 414,516                    | 2,987,744                   |
| Operations   | 33,055                      | 2,219                         | 3,491                      | 5,710                      | 38,765                      |
| Resource development   | 476,503                     | 31,988                        | 50,326                     | 82,314                     | 558,817                     |
| Cost of direct benefits to donors  | -                           | -                             | 464,783                    | 464,783                    | 464,783                     |
| Travel   | 463,797                     | 31,135                        | 35,996                     | 67,131                     | 530,928                     |
| <b>Total expenses</b>  | <b>20,656,291</b>           | <b>1,318,461</b>              | <b>2,496,720</b>           | <b>3,815,181</b>           | <b>24,471,472</b>           |
| Less expenses included with revenues<br>on the statement of activities                       |                             |                               |                            |                            |                             |
| Cost of direct benefits to donors  | -                           | -                             | (464,783)                  | (464,783)                  | (464,783)                   |
| <b>Total expenses included in the<br/>expense section on the<br/>statement of activities</b> | <b><u>\$ 20,656,291</u></b> | <b><u>\$ 1,318,461</u></b>    | <b><u>\$ 2,031,937</u></b> | <b><u>\$ 3,350,398</u></b> | <b><u>\$ 24,006,689</u></b> |

See notes to financial statements.



**THE TREVOR PROJECT, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended July 31, 2019

|  | Program Services     | Supporting Services        |                     |                     | Total                |
|--|----------------------|----------------------------|---------------------|---------------------|----------------------|
|  |                      | General and Administrative | Fundraising         | Total               |                      |
| Salaries, taxes, and benefits  | \$ 5,146,498         | \$ 370,626                 | \$ 553,228          | \$ 923,854          | \$ 6,070,352         |
| Advertising and public relations   | 415,644              | -                          | -                   | -                   | 415,644              |
| Depreciation and amortization  | 49,122               | 3,538                      | 5,280               | 8,818               | 57,940               |
| In-kind legal services   | 1,490,986            | 107,374                    | 160,275             | 267,649             | 1,758,635            |
| Information technology   | 706,556              | 50,880                     | 79,943              | 130,823             | 837,379              |
| Occupancy costs  | 1,062,086            | 76,486                     | 114,168             | 190,654             | 1,252,740            |
| Office supplies  | 202,053              | 14,551                     | 21,720              | 36,271              | 238,324              |
| Other expenses   | 348,923              | 25,128                     | 37,510              | 62,638              | 411,561              |
| Professional services  | 1,626,742            | 116,275                    | 273,400             | 389,675             | 2,016,417            |
| Operations   | 455,916              | 32,833                     | 49,009              | 81,842              | 537,758              |
| Resource development   | 495,403              | 35,677                     | 53,254              | 88,931              | 584,334              |
| Cost of direct benefits to donors  | -                    | -                          | 772,148             | 772,148             | 772,148              |
| Travel   | 414,128              | 29,824                     | 44,517              | 74,341              | 488,469              |
| <b>Total expenses by function</b>  | <b>12,414,057</b>    | <b>863,192</b>             | <b>2,164,452</b>    | <b>3,027,644</b>    | <b>15,441,701</b>    |
| Less expenses included with revenues on the statement of activities                  |                      |                            |                     |                     |                      |
| Cost of direct benefits to donors  | -                    | -                          | (772,148)           | (772,148)           | (772,148)            |
| <b>Total expenses included in the expense section on the statement of activities</b> | <b>\$ 12,414,057</b> | <b>\$ 863,192</b>          | <b>\$ 1,392,304</b> | <b>\$ 2,255,496</b> | <b>\$ 14,669,553</b> |

See notes to financial statements.

**THE TREVOR PROJECT, INC.**  
**STATEMENTS OF CASH FLOW**  
**Years Ended July 31, 2020 and 2019**

|  | <b>2020</b>                 | <b>2019</b>                 |
|--|-----------------------------|-----------------------------|
| <b>Cash flows from operating activities</b>  |                             |                             |
| Change in net assets   | \$ 10,640,052               | \$ 7,555,563                |
| Adjustments to reconcile changes in net assets to net cash provided by operating activities: |                             |                             |
| Depreciation and amortization expense  | 108,375                     | 57,940                      |
| Bad debt expense   | 118,156                     | 41,518                      |
| Changes in operating assets and liabilities:   |                             |                             |
| Contributions receivable   | (767,718)                   | (2,616,371)                 |
| Prepaid expenses and other assets  | (265,648)                   | (290,847)                   |
| Accounts payable and accrued expenses  | 400,512                     | 324,652                     |
| Deferred revenue   | (5,000)                     | (65,000)                    |
| Deferred rent  | 3,249                       | (12,792)                    |
| Net cash provided by operating activities  | <u>10,231,978</u>           | <u>4,994,663</u>            |
| <b>Cash flows from investing activities</b>  |                             |                             |
| Purchase of equipment and leasehold improvements   | (146,234)                   | (181,967)                   |
| Net cash used in investing activities  | <u>(146,234)</u>            | <u>(181,967)</u>            |
| <b>Cash flows from financing activities</b>  |                             |                             |
| Proceeds from grant advance  | 1,410,300                   | -                           |
| Net cash provided by financing activities  | <u>1,410,300</u>            | <u>-</u>                    |
| <b>Net increase in cash and restricted cash</b>  | 11,496,044                  | 4,812,696                   |
| <b>Cash and restricted cash equivalents, beginning of the year</b>                           | <u>13,329,124</u>           | <u>8,516,428</u>            |
| <b>Cash and restricted cash equivalents, end of year</b>                                     | <u><b>\$ 24,825,168</b></u> | <u><b>\$ 13,329,124</b></u> |
| <b>Reconciliation of cash and restricted cash:</b>   |                             |                             |
| Cash   | \$ 6,559,145                | \$ 5,184,368                |
| Restricted cash  | 85,446                      | 85,409                      |
| Board designated cash equivalents  | 18,180,577                  | 8,059,347                   |
| <b>Total cash and restricted cash</b>  | <u><b>\$ 24,825,168</b></u> | <u><b>\$ 13,329,124</b></u> |

See notes to financial statements.

# THE TREVOR PROJECT, INC.

## NOTES TO FINANCIAL STATEMENTS

---

### 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

#### Basis of Presentation

The accompanying financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

#### Use of Estimates

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

#### Cash and Cash Equivalents

The Organization considers all cash and highly liquid financial instruments with purchased maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash. A portion of the Organization’s cash equivalents has been designated by the board for an operating reserve.

#### Restricted Cash

Restricted cash consists of amounts held by the bank to provide for a letter of credit. The letter of credit is explained further in Note 8.

#### Investments

The Organization records investment purchases at costs, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, and realized and unrealized capital gains and losses, less investment expense.

#### Contributions Receivable

Unconditional promises to give that are expected to be collected in future periods are recorded at net present value. An allowance for uncollectible receivables is based on specifically identified receivables using the age of the receivable and historical collection experience. The allowance for uncollectible contributions receivable at July 31, 2020 and 2019 was \$211,754 and \$93,598, respectively.

**THE TREVOR PROJECT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

---

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Equipment and Leasehold Improvements

Equipment and leasehold improvements are stated at cost or at their estimated fair value at the date of donation. Depreciation is provided using the straight-line method over the estimated useful life of the assets. Amortization of leasehold improvements is provided using the straight-line method over the remaining term of the lease or the useful life of the improvement, whichever is shorter.

The estimated useful lives of the related assets are as follows:

|                                   |  |
|-----------------------------------|--|
| Computers, website and software   | 3 – 5 years  |
| Furniture, fixtures and equipment | 5 years  |
| Leasehold improvements            | Shorter of initial lease period<br>or useful life of asset |

Deferred Revenue

Deferred revenue consists of sponsorships and ticket sales for special events which have not yet occurred.

Grant Advance

During the year ended July 31, 2020, the Organization received a loan from a bank totaling \$1,410,300 under the SBA's Paycheck Protection Program (PPP), as authorized under the CARES Act. The Organization will use the PPP loan proceeds for eligible costs that should result in forgiveness of the loan. The PPP loan bears interest at 1.0% and will mature on April 27, 2022. As the Organization expects to meet the eligibility requirements for forgiveness of the loan, management has recorded the loan as a grant advance.

Net Assets

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction, and net assets with donor restriction, as follows:

- *Net Assets without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without restrictions, net assets for an operating reserve.
- *Net assets with Donor Restrictions* – Net assets subject to donor (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by 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**

---

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Revenue Recognition

Revenue is recognized when earned. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received.

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 substantially met.

At July 31, 2020, contributions approximating \$4,500,000 have not been recognized in the accompanying statements of activities as the condition upon which they depend has not been met. The recording of the contributions is dependent upon meeting agreed upon key performance indicators. The Organization will receive annual funding of \$1,500,000 over the next four years which will be recognized as income as the conditions are met.

Donated Services and In-kind Contributions

Volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. The Organization records donated professional services at the respective fair value of the services received (see Note 7).

Functional Allocation of Expenses

The costs of providing the Organization's various programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expense present the natural classification detail of expense by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. 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.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under §501(c)(3) of the Internal Revenue Code and §23701(d) of the Revenue and Taxation Code of the State of California. Accordingly, no provisions for income taxes or related credits are included in these financial statements. The Organization recognizes potential accrued interest and penalties related to uncertain tax positions in income tax expense. During the years ended July 31, 2020 and 2019, the Organization performed an evaluation of uncertain tax positions and did not identify any matters that would require recognition in the financial statements or which might have an effect on its tax-exempt status.

**THE TREVOR PROJECT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

---

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Impairment of Long-lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Measurement of an impairment loss is based on the fair value of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value, less cost to sell. The Organization did not recognize any impairment of long-lived asset losses in the years ended July 31, 2020 and 2019.

Fair Value of Financial Instruments

In accordance with U.S. GAAP, 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 at the measurement date. Assets and liabilities carried at fair value are required to be classified and disclosed in one of the following three categories:

Level 1 – Quoted prices in active markets for identical assets or liabilities

Level 2 – Observable market-based inputs or unobservable inputs that are corroborated by market data

Level 3 – Unobservable inputs that are not corroborated by market data

Concentration of Credit Risk

The Organization maintains its cash and cash equivalent balances in several financial institutions that, from time to time, exceed insured limits. To date, 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.

Credit risk associated with accounts receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from foundations and corporations supportive of the Organization's mission.

Adopted Accounting Pronouncements

During the year ended July 31, 2020, the Organization adopted ASU 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which provides clarification and improvement on the scope and the accounting guidance for contributions received and contributions made. The Organization adopted this ASU using the modified retrospective approach. The adoption of this ASU did not have a material effect on the financial statements.

**THE TREVOR PROJECT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

---

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which sets out the principles for the recognition, measurement, presentation, and disclosure of leases for both lessees and lessors. The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on the straight-line basis over the term of the lease. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct-financing leases, and operating leases. ASU 2016-02 will be effective for the Organization for fiscal years beginning after December 15, 2021. The Organization is currently evaluating the impact of its pending adoption of the new standard on its financial statements.

In November 2019, the FASB issued ASU 2019-10, *Financial Instruments—Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates*, which delays the effective date of ASU 2016-13 for certain entities. The new standard is effective for years beginning after December 15, 2022, including interim periods within those years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Organization is currently evaluating the impact on its financial statements.

The FASB recently issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU requires a not-for-profit entity to present contributed nonfinancial assets in the statement of activities as a line item that is separate from contributions of cash or other financial assets. The term nonfinancial asset includes fixed assets, use of fixed assets or utilities, materials and supplies, intangible assets, services and unconditional promises of those assets. The ASU should be applied on a retrospective basis and is effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. Early adoption is permitted. The Organization is currently evaluating the impact on its financial statements.

**THE TREVOR PROJECT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 3 – FINANCIAL ASSETS AND LIQUIDITY RESOURCES**

As of July 31, 2020 and 2019, the following table reflects the Organization’s financial assets that are available to meet general expenditures within one year of the statement of financial position date:

|   | <b>2020</b>          | <b>2019</b>         |
|---|----------------------|---------------------|
| Cash and cash equivalents                                       | \$ 6,559,145         | \$ 5,184,368        |
| Contributions receivable, due in one year                       | 4,940,837            | 4,291,275           |
| <b>Total financial assets available for general expenditure</b> | <b>\$ 11,499,982</b> | <b>\$ 9,475,643</b> |

The Organization considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. Although the Organization does not intend to spend from the board-designated funds, in the event the need arises to utilize the board-designated operating reserve for liquidity purposes, the board-designated funds could be drawn upon through board resolution. As of July 31, 2020 and 2019, the board-designated operating reserve was \$18,180,577 and \$8,059,347, respectively.

**NOTE 4 – EQUIPMENT AND LEASEHOLD IMPROVEMENTS**

Equipment and leasehold improvements at July 31, 2020 and 2019 are as follows:

|   | <b>2020</b>       | <b>2019</b>       |
|---|-------------------|-------------------|
| Computers and software                    | \$ 717,610        | \$ 571,376        |
| Website                                   | 158,666           | 158,666           |
| Furniture, fixtures and equipment         | 110,041           | 110,041           |
| Leasehold improvements                    | 43,850            | 43,850            |
|   | 1,030,167         | 883,933           |
| Accumulated depreciation and amortization | (684,225)         | (575,850)         |
| <b>Total</b>                              | <b>\$ 345,942</b> | <b>\$ 308,083</b> |



**THE TREVOR PROJECT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

---

**NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS**

As of July 31, 2020 and 2019, net assets with donor restrictions are restricted for the following purposes:

|                   | <u>2020</u>                | <u>2019</u>              |
|-------------------|----------------------------|--------------------------|
| Advocacy          | \$ 290,000                 | \$ 160,000               |
| Education         | 426,985                    | 207,500                  |
| Digital services  | 2,617,538                  | 10,000                   |
| Crisis services   | 358,427                    | 125,000                  |
| Recruiting        | 4,821                      | 60,804                   |
| Volunteer program | 90,866                     | 50,000                   |
| Other programs    | <u>171,020</u>             | <u>82,000</u>            |
| <b>Total</b>      | <b><u>\$ 3,959,657</u></b> | <b><u>\$ 695,304</u></b> |

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or other events specified by the donors are as follows for the years ended July 31, 2020 and 2019:

|                   | <u>2020</u>                | <u>2019</u>                |
|-------------------|----------------------------|----------------------------|
| Advocacy          | \$ -                       | \$ 202,500                 |
| Education         | 33,015                     | 230,000                    |
| Digital services  | 1,190,274                  | 370,384                    |
| Crisis services   | 166,323                    | 108,333                    |
| Recruiting        | 117,064                    | 24,927                     |
| Volunteer program | 1,227,664                  | 150,000                    |
| Other programs    | <u>167,470</u>             | <u>38,000</u>              |
| <b>Total</b>      | <b><u>\$ 2,901,810</u></b> | <b><u>\$ 1,274,144</u></b> |

**THE TREVOR PROJECT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

---

**NOTE 6 – IN-KIND SERVICES**

For the years ended July 31, 2020 and 2019, the Organization received the following donated services used for program purposes:

|                        | <u>2020</u>                | <u>2019</u>                |
|------------------------|----------------------------|----------------------------|
| Donated IT services    | \$ 3,901,519               | \$ -                       |
| Donated legal services | 1,022,465                  | 1,758,634                  |
| Other                  | <u>155,051</u>             | <u>-</u>                   |
| <b>Total</b>           | <b><u>\$ 5,079,035</u></b> | <b><u>\$ 1,758,634</u></b> |

**NOTE 7 – BOARD OF DIRECTORS CONTRIBUTIONS**

During the years ended July 31, 2020 and 2019, Members of the Board of Directors made contributions to the Organization to further its mission totaling \$465,004 and \$512,943, respectively.

**NOTE 8 – COMMITMENTS AND CONTINGENCIES**

Operating Leases

The Organization has certain equipment and office space under noncancelable operating leases that expire through 2021 and require minimum monthly payments of \$97,805.

As of July 31, 2020, future required minimum lease payments are \$332,073 in 2021.

Letter of Credit

The Organization maintains a letter of credit in the amount of \$85,000 in accordance with the terms of one of the office facility lease agreements. The landlord may draw up to the full amount of the letter of credit, pursuant to the terms of the lease agreement.

Litigation

From time to time, the Organization is involved in certain legal matters which arise in the normal course of operations. Management believes, based in part on the advice of legal counsel, that the resolution of such matters will not have a material adverse effect on the financial position of the Organization.

**THE TREVOR PROJECT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

---

**NOTE 9 – DEFERRED COMPENSATION PLAN**

The Organization has a defined-contribution retirement 403(b) plan available for all eligible employees. Employees participate on a voluntary basis and may make the maximum contribution allowable by the IRS. The Organization matches the employees' contributions up to 3% of the employees' compensation. Plan contributions made by the Organization were \$179,249 and \$99,600 for the years ended July 31, 2020 and 2019, respectively.

**NOTE 10 – SUBSEQUENT EVENTS**

The COVID-19 pandemic has created and may continue to create significant uncertainty in macroeconomic conditions, which may have an impact on the Organization's operations. The Organization expects uncertainties to continue to evolve depending on the duration and degree of impact associated with the COVID-19 pandemic. The Organization is closely monitoring its liquidity and actively working to minimize the impact of the pandemic on its operations.

Management evaluated all activity of the Organization through March 6, 2021, the date these financial statements were available to be issued and determined there was one subsequent event to be reported.

- As of February 16th, 2021, The Small Business Administration ("SBA") has approved The Trevor Projects request for full forgiveness of their PPP Loan. As a result of the SBA's decision to approve your request for forgiveness, the SBA has paid the entire outstanding balance of The Trevor Project PPP Loan, which is now considered paid in full and no payments will be required.