THE HEADSTRONG PROJECT

Audited Financial Statements

December 31, 2024

Headstrong Project, Inc.

Audited Financial Statements

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C O N T E N T S

Independent Auditor's Report

To the Board of Directors of
Headstrong Project, Inc.

Opinion

We have audited the accompanying financial statements of Headstrong Project, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Organization's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 30, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Sax CPAs LLP

New York, NY
May 5, 2025

Headstrong Project, Inc.

Statement of Financial Position

As of December 31, 2024
(With comparative totals as of December 31, 2023)

	December 31, 2024	December 31, 2023
ASSETS		
Cash and cash equivalents	$ 7,738,075	$ 8,120,379
Contributions receivable, net	3,254,263	3,833,445
Counseling fee receivable	124,800	24,975
Government grants receivable	88,800	221,429
Employee Retention Tax Credit receivable	88,376	80,711
Prepaid event expenses and other assets	136,923	112,761
Straight-line rent receivable	7,170	6,569
Operating lease right-of-use asset	204,561	291,917
TOTAL ASSETS	**$11,642,968**	**$12,692,186**
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	$ 150,228	$ 93,114
Accrued counseling expenses	655,810	505,378
Deferred revenue	45,640	10,000
Security deposit payable	29,467	29,467
Operating lease liability	214,252	305,745
Total liabilities	1,095,397	943,704
NET ASSETS		
Without donor restrictions	5,291,495	6,716,176
With donor restrictions	5,256,076	5,032,306
Total net assets	10,547,571	11,748,482
TOTAL LIABILITIES AND NET ASSETS	**$11,642,968**	**$12,692,186**

The attached notes and auditor's report are an integral part of these financial statements.

Headstrong Project, Inc.

Statement of Activities

For the Year Ended December 31, 2024
(With comparative totals for the year ended December 31, 2023)

	Without Donor Restrictions	With Donor Restrictions	Total 12/31/24	Total 12/31/23
PUBLIC SUPPORT AND REVENUE				
Contributions	$ 3,445,161	$ 2,768,000	$ 6,213,161	$ 4,286,244
Counseling service fees	699,920		699,920	202,850
Special events and fundraising campaigns (net of expenses with a direct benefit to donor)	3,629,110	-	3,629,110	2,424,593
Government grants	374,594		374,594	387,504
Employee Retention Tax Credit	-	-	-	181,269
Interest income	176,112	-	176,112	281,032
Rental income	90,474	-	90,474	60,315
Investment return, net	55,800	-	55,800	72,510
Net assets released from restrictions	2,544,230	(2,544,230)	-	-
Total public support and revenue	11,015,401	223,770	11,239,171	7,896,317
EXPENSES				
Program services	10,155,844	-	10,155,844	8,894,415
Supporting services:				
Management and general	909,183	-	909,183	1,369,218
Fundraising	1,375,055	-	1,375,055	1,376,635
Total supporting expenses	2,284,238	-	2,284,238	2,745,853
Total expenses	12,440,082	-	12,440,082	11,640,268
Change in net assets	**(1,424,681)**	**223,770**	**(1,200,911)**	**(3,743,951)**
NET ASSETS, *beginning of year*	6,716,176	5,032,306	11,748,482	15,492,433
NET ASSETS, *end of year*	**$ 5,291,495**	**$ 5,256,076**	**$ 10,547,571**	**$ 11,748,482**

The attached notes and auditor's report are an integral part of these financial statements.

Headstrong Project, Inc.

Statement of Functional Expenses

For the Year Ended December 31, 2024
(With comparative totals for the year ended December 31, 2023)

		Supporting Services				
	Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses 12/31/24	Total Expenses 12/31/23
Salaries	2,261,024	$ 438,229	$ 804,911	$ 1,243,140	$ 3,504,164	$ 3,630,133
Payroll taxes and employee benefits	479,446	93,443	170,979	264,422	743,868	738,449
Professional fees	217,461	203,749	108,649	312,398	529,859	758,319
Counseling services	6,820,805	-	-	-	6,820,805	5,851,016
Nonpersonnel	208,061	50,429	96,853	147,282	355,343	314,373
Facility	57,158	13,840	22,767	36,607	93,765	127,178
Travel and conferences	84,120	23,803	54,679	78,482	162,602	156,455
Advertising	19,761	5,464	16,617	22,081	41,842	-
Event expense	-	-	746,309	746,309	746,309	422,494
Bad debt	-	60,000	-	60,000	60,000	-
Other expenses	8,008	20,226	99,600	119,826	127,834	64,345
Total expenses	10,155,844	909,183	2,121,364	3,030,547	13,186,391	12,062,762
Less: cost of direct benefit to donors netted with revenue	-	-	(746,309)	(746,309)	(746,309)	(422,494)
Total expenses	**$ 10,155,844**	**$ 909,183**	**$ 1,375,055**	**$ 2,284,238**	**$ 12,440,082**	**$ 11,640,268**

The attached notes and auditor's report are an integral part of these financial statements.

Headstrong Project, Inc.

Statement of Cash Flows

For the Year Ended December 31, 2024
(With comparative totals for the year ended December 31, 2023)

	December 31, 2024	December 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (1,200,911)	$ (3,743,951)
Adjustments to reconcile change in net assets to net cash (used for) operating activities:		
Unrealized/realized loss/(gain)	2,508	(30,222)
Donated securities	(564,777)	(333,077)
Proceeds from sales of donated securities	562,269	363,299
Changes in assets and liabilities:		
Contributions receivable	579,182	1,096,617
Counseling fee receivable	(99,825)	-
Government grants receivable	132,629	295,125
Employee Retention Tax Credit receivable	(7,665)	(80,711)
Prepaid event expenses and other assets	(24,162)	(58,269)
Straight line rent receivable	(601)	(6,569)
Operating lease assets and liabilities	(4,137)	(1,754)
Accounts payable and accrued expenses	57,114	(8,322)
Accrued counseling expenses	150,432	(18,411)
Deferred revenue	35,640	10,000
Security deposit payable	-	29,467
Total adjustments	818,607	1,257,173
Net cash (used for) operating activities	**(382,304)**	**(2,486,778)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Repayments on line of credit	-	(1,500,000)
Net cash (used for) investing activities	**-**	**(1,500,000)**
Net decrease in cash and cash equivalents	**(382,304)**	**(3,986,778)**
CASH AND CASH EQUIVALENTS, *beginning of year*	8,120,379	12,107,157
CASH AND CASH EQUIVALENTS, *end of year*	**$ 7,738,075**	**$ 8,120,379**
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid	**$ -**	**$ 21,667**
Taxes paid	**$ -**	**$ -**

The attached notes and auditor's report are an integral part of these financial statements.

Note 1 - Organization and Nature of Activities

Headstrong Project, Inc. (the “Organization” or “THP”) is a non-profit mental health organization whose mission is to provide confidential, barrier-free, and stigma-free treatment to service members, veterans, and their families, regardless of discharge status. THP addresses the mental health challenges faced by those who have experienced trauma before, during, and after military service. The Organization’s goal is to help its clients "Triumph Over Trauma" by providing effective mental health treatment. THP is dedicated to helping our clients conquer those barriers by providing concierge-like therapist-client matching, shorter wait times, and flexibility when scheduling sessions via in-person/telehealth services. Its network of clinical trauma specialists offers individualized, evidence-based, trauma-focused, outpatient care to our clients.

THP was incorporated in the State of Delaware on May 11, 2012 as a non-profit corporation. Since inception, THP has provided 218,000 clinical sessions to more than 5,000 individuals through a combination of in-person care and telehealth. The Organization’s main sources of revenue are contributions and grants.

The Organization adopted a five-year strategic plan focused on expansion into additional states, while increasing quality measures and metrics to ensure effective care. The plan, referred to as Mission: Any Veteran Anywhere, expands THP’s in-person care from 17 states currently to 25 states by 2028 and tele-health in all 50 states.

The Organization has been notified by the Internal Revenue Service that it is a not-for-profit organization exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and has not been determined to be a private foundation.

Note 2 - Summary of Significant Accounting Policies

a. Basis of Accounting and Presentation

The financial statements of the Organization have been prepared using the accrual basis of accounting, which is the process of recognizing revenue and expenses when earned or incurred rather than received or paid.

The financial statements are presented in accordance with the provisions of the Financial Accounting Standards Board’s (“FASB”) Accounting Standards Codification (“ASC”) 958 *Presentation of Financial Statements of Not-For-Profit Entities*. FASB ASC 958 requires the Organization to report information regarding its financial position and activities according to the following specific classes of net assets:

- *Net Assets without Donor Restrictions* - represents those resources for which there are no restrictions by donors as to their use.

- *Net Assets with Donor Restrictions* - represents those resources, the uses of which have been restricted by donors to specific purposes or the passage of time and/or must remain intact, in perpetuity. The release from restrictions results from the satisfaction of the restricted purposes specified by the donor.

Note 2 - Summary of Significant Accounting Policies - Continued

b. Revenue Recognition

The Organization follows the FASB's ASC 958-605 for recording contributions, which are recognized at the time a contribution becomes unconditional in nature. Contributions that do not contain donor restrictions are recorded in the class of net assets without donor restrictions. Contributions that contain donor restrictions are recorded in the class of net assets with donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. If donor restricted contributions are satisfied in the same period they were received, they are classified in the class of net assets without donor restrictions.

Contributions may be subject to conditions which are defined as both a barrier to entitlement and a right of return of payments or release from obligations and are recognized as income once the conditions have been substantially met.

Special event revenue is comprised of payments received from third parties to support and /or attend fundraising events. Special event revenue includes an exchange transaction component for the value of the goods or services rendered, which follows revenue recognition guidance under ASC 606. The amount paid by third parties that is above the value of goods or services is considered a contribution. Revenue is recognized at the time the fundraising event occurs.

The Organization's government grants are primarily conditional non-exchange transactions and fall under the scope of FASB ASC 958-605. Revenue from these transactions is recognized when qualifying expenditures are incurred, performance-related outcomes are achieved, and other conditions under the agreements are met. Payments received in advance of conditions being met are recorded as deferred revenue.

The Organization follows the requirements of FASB ASC 606 for recognizing revenue from contracts with customers. The Organization analyzes each source of revenue to determine that it has a contract with the customer that identifies both the performance obligation and the transaction price.

Counseling services fee income falls under FASB ASC 606. The performance obligation is met when the counseling services have been provided in connection with the contract. Revenue earned in advance of being collected is reflected as counseling fees receivable. Cash collected in advance of services being provided is reflected as deferred revenue.

The Organization subleases its office space. The Organization recognizes rental income over the life of the lease. Rental income falls under the scope of FASB ASC 842: *Leases*.

Unconditional promises to give that are expected to be received in less than one year are recorded at net realizable value. Those that are due in greater than one year are recorded at fair value which is calculated using risk adjusted present value techniques. Long-term promises to give are treated as time restricted until the period they are due, at which time they will be released from restriction and counted towards operations.

Management has reviewed the collectability of contributions and government grants receivables, factoring in judgement about the creditworthiness and age of the receivable, as well as historical experience. Based on that evaluation, management has determined that no reserve for doubtful accounts is warranted.

Note 2 - Summary of Significant Accounting Policies - Continued

b. Revenue Recognition - Continued

The Organization states counseling fees receivable at the amount it expects to collect from outstanding balances. Expected credit losses on counseling fees receivable are estimated based on historical credit loss experience, aging analysis and management's assessment of current conditions and reasonable execution of future conditions. Based on that evaluation, management has determined that no allowance for credit losses is warranted.

c. Cash and Cash Equivalents

Checking and money market accounts with banks and highly liquid financial instruments purchased with a maturity of three months or less are considered to be cash and cash equivalents, except for cash held with an investment custodian for long-term purposes.

d. Concentration of Credit Risk

Financial instruments which potentially subject the Organization to a concentration of credit risk consist of cash and counseling fee receivable.

The Organization places its temporary cash with financial institutions that management deems to be creditworthy. The Organization maintains its cash balances in financial institutions which are insured by the Federal Deposit Insurance Corporation up to $250,000 each. At times and at year end, balances may exceed federally insured limits. A significant portion of the funds is not insured by the FDIC; however, management feels they have little risk and has not experienced any losses due to bank failure.

Concentration of credit risk with respect to counseling receivable is insignificant based on the dollar amount of the receivable.

e. Leases

The Organization follows FASB ASC 842, *Leases*, which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements.

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (“ROU”) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less).

Note 2 - Summary of Significant Accounting Policies - Continued

f. Contributed Nonfinancial Assets

The Organization recognizes contributions of services that create or enhance non-financial assets or require specialized skills, are performed by those who possess those skills and would ordinarily have to be purchased if not provided in-kind.

Many individuals volunteer their time and perform a variety of services that assist the Organization with specific assistance programs and various committee assignments. These volunteer services do not meet the criteria outlined above and have not been recognized in the financial statements.

The Organization accepts donations nonfinancial items and services for auction at special events. These items are valued at market value at time of donation.

g. Advertising Costs

Advertising costs are expensed as incurred.

h. Management Estimates

The preparation of financial statements in accordance 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. Actual results could differ from those estimates.

i. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The following expenses were allocated using time and effort as the basis:

- Salaries
- Payroll taxes and employee benefits
- Professional fees
- Nonpersonnel
- Facility
- Travel and conferences
- Other expenses

All other expenses have been charged directly to the applicable program or supporting services.

Note 2 - Summary of Significant Accounting Policies - Continued

j. Accounting for Uncertainty of Income Taxes

The Organization does not believe its financial statements include any material, uncertain tax positions. Tax filings for the periods ending December 31, 2021 and later are subject to examination by applicable taxing authorities.

k. Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2023, from which the summarized information was derived.

Note 3 - Contributions Receivable

Contributions receivable are expected in the following periods:

Year ending:	December 31, 2025	$ 2,647,463
	December 31, 2026	420,000
	December 31, 2027	250,000
		3,317,463
Less: discount to present value at 4.27%		(63,200)
Total		$ 3,254,263

Note 4 - Employee Retention Tax Credit

The Employee Retention Tax Credit ("ERTC") was established by the Coronavirus Aid, Relief, and Economic Security Act issued by Congress during 2020 and allows an employer to obtain fully refundable tax credits through their payroll tax filings for qualified wages paid after March 13, 2020 through September 30, 2021. To be eligible, an employer must incur payroll costs to retain employees and be adversely affected by the COVID19 pandemic due to having operations suspended by a government order or demonstrating that they had a significant decline in gross receipts.

At December 31, 2024 and 2023, the Organization reported an Employee Retention Tax Credit receivable in the amount of $88,376 and $80,711, respectively. This amount is inclusive of accrued interest.

Note 5 - Deferred Rental Revenue

The Organization sub-leases office space to a tenant under a long-term non-cancelable lease. Amounts received in advance are recorded as deferred rental revenue. The lease provides for certain escalation charges based on increases in the underlying lease. Commercial rent revenue for the years ended December 31, 2024 and 2023 totaled $90,474 and $60,315, respectively, and is included in rental income on the statement of activities.

Note 6 - Operating Lease Right-of-Use Asset and Operating Lease Liability

The Organization evaluated current contracts to determine which met the criteria of a lease. The Organization leases office space in New York, NY under an agreement that began on April 1, 2022, that runs through March 31, 2027, which was determined to be an operating lease.

The ROU asset represents the Organization's right to use the underlying asset for the lease term and the lease liabilities represent the Organization's obligation to make lease payments arising from this lease. The ROU assets and lease liabilities were calculated based on the present value of future lease payments over the lease terms. The Organization has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. The weighted-average discount rate applied to calculate lease liabilities as of December 31, 2024 and 2023 was 2.39%. As of December 31, 2024 and 2023, the weighted average remaining lease term for the Organization's operating lease was approximately 4.25 and 2.25 years, respectively. The lease term does not include any extension options.

For the years ended December 31, 2024 and 2023, the total operating lease cost was $93,498. There were no short-term lease costs during the years ended December 31, 2024 or 2023.

Cash paid for operating leases for the years ended December 31, 2024 and 2023 was $97,634 and $95,253, respectively. There were no noncash investing and financing transactions related to leasing in 2024 or 2023. The future payments due under the operating lease as of December 31, 2024, are as follows:

Year ending:	
December 31, 2025	$ 91,684
December 31, 2026	102,577
December 31, 2027	25,802
	220,063
Less: Present value discount	(5,811)
Total lease liability at December 31, 2024	$ 214,252

Note 7 - Line of Credit

The Organization maintains a revolving line of credit with a financial institution that expires on October 1, 2025. The line is secured by the Organization's assets. The maximum amount of the line of credit is $2,000,000 with an initial variable interest rate of 8.50%. The interest rate at December 31, 2024 and 2023 was 8.50% and 9.25%, respectively. The outstanding balance on the line of credit at December 31, 2024 and 2023 was $0. No interest expense was incurred during the years ended December 31, 2024 and 2023.

Note 8 - Net Assets with Donor Restrictions

The following summarizes the activity of net assets with donor restrictions:

	December 31, 2024			
	Balance 1/1/24	Restricted Contributions	Released from Restrictions	Balance 12/31/24
Treatment Program:				
Idaho	$ 977,473	$ -	$ (168,544)	$ 808,929
New York	187,500	100,000	(187,500)	100,000
Houston	33,832	-	(33,832)	-
Oregon	881,012	-	(122,315)	758,697
Washington	308,717	-	(308,717)	-
Seattle	343,772	-	(343,772)	-
Georgia	-	30,000	(10,000)	20,000
Other	-	125,000	(16,000)	109,000
Total program	2,732,306	255,000	(1,190,680)	1,796,626
Time restriction	2,300,000	2,513,000	(1,353,550)	3,459,450
Total	$ 5,032,306	$ 2,768,000	$ (2,544,230)	$ 5,256,076

	December 31, 2023			
	Balance 1/1/23	Restricted Contributions	Released from Restrictions	Balance 12/31/23
Treatment Program:				
Idaho	$ 1,005,000	$ -	$ (27,527)	$ 977,473
New York	-	250,000	(62,500)	187,500
Houston	-	50,000	(16,168)	33,832
Oregon	907,500	-	(26,488)	881,012
Washington	242,500	239,000	(172,783)	308,717
Seattle	518,048	-	(174,276)	343,772
Other	673,981	-	(673,981)	-
Total program	3,347,029	539,000	(1,153,723)	2,732,306
Time restriction	2,440,000	1,550,000	(1,690,000)	2,300,000
Total	$ 5,787,029	$ 2,089,000	$ (2,843,723)	$ 5,032,306

Note 9 - Special Events and Fundraising Campaigns

The Organization traditionally hosted multiple fundraising events throughout the year in the locations that it serves. The largest event was the Organization's Annual Gala held in New York City in 2024 and 2023.

Special events are summarized as follows:

	December 31, 2024		
	NYC Gala	Other Events	Total
Gross revenue	$ 3,974,477	$ 400,942	$ 4,375,419
Less: expenses with a direct benefit to donor	(650,757)	(95,552)	(746,309)
	3,323,720	305,390	3,629,110
Less: other event expenses	(175,444)	(15,148)	(190,592)
Total	$ 3,148,276	$ 290,242	$ 3,438,518

	December 31, 2023		
	NYC Gala	Other Events	Total
Gross revenue	$ 2,748,708	$ 98,379	$ 2,847,087
Less: expenses with a direct benefit to donor	(396,193)	(26,301)	(422,494)
	2,352,515	72,078	2,424,593
Less: other event expenses	(133,148)	(16,977)	(150,125)
Total	$ 2,219,367	$ 55,101	$ 2,274,468

Note 10 - Significant Concentration

During 2023, the Organization received contributions from six donors that represented approximately 53% of total public support contribution revenue.

Note 11 - Liquidity and Availability of Financial Resources

Financial assets at December 31, 2024 consist of:

Cash and cash equivalents	$ 7,738,075	
Contributions receivable due within one year	2,647,463	
Counseling fee receivable	124,800	
Government grants receivable	88,800	
Total financial assets		10,599,138
Less amounts not available for general expenditures:		
Net assets with donor restrictions - purpose restricted		(1,796,626)
Financial assets available to meet cash needs for general expenditures within one year		$ 8,802,512

Liquidity and reserves continue to be managed by the 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. The Organization has an operating reserve policy to meet a minimum of 4 months of operating expenses with a future goal of 8-12 months or more. THP continuously forecasts future cash flows, monitors liquidity monthly while only modestly increasing its operating budget. In addition, THP's focus is on a diversified donor base consisting of corporate donations, foundation grants, government grants, fee for service and investment income. Its most successful fundraising event is the Annual Gala which raised $3.4M (net of donor benefits) an increase of 41% from 2023 (and is 30% of the revenue raised in 2024).

Note 12 - Other Disclosures

In 2023, the Organization incurred one-time non-recurring expenses totaling $220,000 in relation to the Chief Executive Officer turnover. This included $75,000 in professional fees and $145,000 in severance included in salaries on the statement of functional expenses. Additionally, in 2023, an adjustment in clinical reimbursements was made and lead to a short-term reduction in counseling services expenses totaling $554,180.

Note 13 - Subsequent Events

Subsequent events have been evaluated through May 5, 2025, the date the financial statements were available to be issued. On November 7, 2024, The Bob and Renee Parsons Foundation pledged $1,500,000 during the Organization's Annual Gala held in New York City. The grant was conditional on the Organization's ability to raise, on a dollar-for-dollar match, donations pledged by Gala attendees during the Fund-A-Need portion of the Gala. In addition, pledges were only eligible for the match if payment was received no later than December 31, 2024. The Organization fulfilled the conditions, and the executed grant agreement was received and recognized on January 3, 2025, as an unrestricted contribution. There were no material events that have occurred that required adjustment to the financial statements.