

**TEEN LIFELINE, INC.**

**Financial Statements and  
Independent Auditor's Report**

**Years Ended December 31, 2025 and 2024**



**TEEN LIFELINE, INC.**  
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**December 31, 2025 and 2024**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Teen Lifeline, Inc.  
Phoenix, Arizona

### Opinion

We have audited the accompanying financial statements of Teen Lifeline, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Teen Lifeline Inc. as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Teen Lifeline Inc. 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 Teen Lifeline, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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 Teen Lifeline'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 Teen lifeline, Inc.'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.

*Snyder & Brown CPAs, PLLC*

Snyder & Brown, CPAs, PLLC  
Tempe, Arizona  
April 22, 2026

**Teen Lifeline, Inc.**  
**Statements of Financial Position**  
**December 31, 2025 and 2024**

|   | <b>2025</b>  | <b>2024</b>  |
|---|--------------|--------------|
| <b>Assets</b>                           |              |              |
| Current assets:                         |              |              |
| Cash and cash equivalents               | \$ 2,210,072 | \$ 2,206,693 |
| Contributions and grants receivable     | 76,785       | 197,522      |
| Prepaid expenses                        | 26,882       | 12,971       |
| Total current assets                    | 2,313,739    | 2,417,186    |
| Property and equipment, net             | 209,736      | 215,947      |
| Operating lease right-of-use asset, net | 34,311       | -            |
| Total assets                            | \$ 2,557,786 | \$ 2,633,133 |
| <b>Liabilities and Net Assets</b>       |              |              |
| Current liabilities:                    |              |              |
| Accounts payable                        | \$ 21,964    | \$ 4,201     |
| Accrued payroll liabilities             | 143,853      | 120,491      |
| Short-term operating lease liability    | 9,192        | -            |
| Total current liabilities               | 175,009      | 124,692      |
| Long-term operating lease liability     | 25,119       | -            |
| Total liabilities                       | 200,128      | 124,692      |
| Net Assets:                             |              |              |
| Without donor restrictions              |              |              |
| Undesignated                            | 1,528,331    | 1,582,931    |
| Board designated for Tucson             | 621,659      | 810,876      |
| Total without donor restrictions        | 2,149,990    | 2,393,807    |
| With donor restrictions                 | 207,668      | 114,634      |
| Total net assets                        | 2,357,658    | 2,508,441    |
| Total liabilities and net assets        | \$ 2,557,786 | \$ 2,633,133 |

See accompanying notes to financial statements.

**Teen Lifeline, Inc.**  
**Statements of Activities**  
**For the Years Ended December 31, 2025 and 2024**

|   | 2025                             |                            |                     | 2024                             |                            |                     |
|---|----------------------------------|----------------------------|---------------------|----------------------------------|----------------------------|---------------------|
|   | Without<br>Donor<br>Restrictions | With Donor<br>Restrictions | Total               | Without<br>Donor<br>Restrictions | With Donor<br>Restrictions | Total               |
| <b>Revenue and Other Support</b>                        |                                  |                            |                     |                                  |                            |                     |
| Revenue and other support:                              |                                  |                            |                     |                                  |                            |                     |
| Contributions   | \$ 657,344                       | \$ 100,000                 | \$ 757,344          | \$ 613,274                       | \$ 106,966                 | \$ 720,240          |
| Government grants and contracts                         | 55,960                           | 107,668                    | 163,628             | 242,058                          | 7,668                      | 249,726             |
| Donated materials and services                          | 158,250                          | -                          | 158,250             | 123,009                          | -                          | 123,009             |
| Net assets released from restrictions                   | 114,634                          | (114,634)                  | -                   | 136,012                          | (136,012)                  | -                   |
| Interest income   | 53,614                           | -                          | 53,614              | 54,654                           | -                          | 54,654              |
| Total revenue and support before special events revenue | <u>1,039,802</u>                 | <u>93,034</u>              | <u>1,132,836</u>    | <u>1,169,007</u>                 | <u>(21,378)</u>            | <u>1,147,629</u>    |
| Special events:   |                                  |                            |                     |                                  |                            |                     |
| Revenue from special events                             | 877,631                          | -                          | 877,631             | 691,309                          | -                          | 691,309             |
| Less cost of direct donor benefits                      | <u>(288,381)</u>                 | <u>-</u>                   | <u>(288,381)</u>    | <u>(299,212)</u>                 | <u>-</u>                   | <u>(299,212)</u>    |
| Special events, net                                     | <u>589,250</u>                   | <u>-</u>                   | <u>589,250</u>      | <u>392,097</u>                   | <u>-</u>                   | <u>392,097</u>      |
| Total revenue and other support                         | <u>1,629,052</u>                 | <u>93,034</u>              | <u>1,722,086</u>    | <u>1,561,104</u>                 | <u>(21,378)</u>            | <u>1,539,726</u>    |
| <b>Expenses</b>   |                                  |                            |                     |                                  |                            |                     |
| Program services  | 1,471,362                        | -                          | 1,471,362           | 1,359,829                        | -                          | 1,359,829           |
| Management and general                                  | 236,769                          | -                          | 236,769             | 126,189                          | -                          | 126,189             |
| Fundraising   | 164,738                          | -                          | 164,738             | 112,002                          | -                          | 112,002             |
| Total expenses  | <u>1,872,869</u>                 | <u>-</u>                   | <u>1,872,869</u>    | <u>1,598,020</u>                 | <u>-</u>                   | <u>1,598,020</u>    |
| Change in net assets                                    | <u>(243,817)</u>                 | <u>93,034</u>              | <u>(150,783)</u>    | <u>(36,916)</u>                  | <u>(21,378)</u>            | <u>(58,294)</u>     |
| Net assets at beginning of year                         | <u>2,393,807</u>                 | <u>114,634</u>             | <u>2,508,441</u>    | <u>2,430,723</u>                 | <u>136,012</u>             | <u>2,566,735</u>    |
| Net assets at end of year                               | <u>\$ 2,149,990</u>              | <u>\$ 207,668</u>          | <u>\$ 2,357,658</u> | <u>\$ 2,393,807</u>              | <u>\$ 114,634</u>          | <u>\$ 2,508,441</u> |

See accompanying notes to financial statements.

**Teen Lifeline, Inc.**  
**Statements of Functional Expenses**  
**For the Years Ended December 31, 2025 and 2024**

|   | 2025              |                         |                     |                  |                   |                        |                        |                   |                                   |                     |
|---|-------------------|-------------------------|---------------------|------------------|-------------------|------------------------|------------------------|-------------------|-----------------------------------|---------------------|
|   | Program Services  |                         |                     |                  |                   | Supporting Services    |                        |                   | Cost of Direct Benefits to Donors |                     |
|   | Hotline           | Life Skills Development | Community Education | Caring Contacts  | Tucson            | Total Program Services | Management and General | Fundraising       | Donors                            | Total               |
| Personnel expenses:   |                   |                         |                     |                  |                   |                        |                        |                   |                                   |                     |
| Salaries and wages  | \$ 314,444        | \$ 146,664              | \$ 239,469          | \$ 56,993        | \$ 145,723        | \$ 903,293             | \$ 94,867              | \$ 124,266        | \$ -                              | \$ 1,122,426        |
| Payroll taxes and employee benefits   | 52,582            | 25,784                  | 41,894              | 10,935           | 24,619            | 155,814                | 20,114                 | 20,114            | -                                 | 196,042             |
| Total personnel expense   | <u>367,026</u>    | <u>172,448</u>          | <u>281,363</u>      | <u>67,928</u>    | <u>170,342</u>    | <u>1,059,107</u>       | <u>114,981</u>         | <u>144,380</u>    | <u>-</u>                          | <u>1,318,468</u>    |
| Other expenses:   |                   |                         |                     |                  |                   |                        |                        |                   |                                   |                     |
| Public relations and outreach   | 1,324             | -                       | 119,165             | -                | 3,911             | 124,400                | -                      | -                 | -                                 | 124,400             |
| Training and development  | 8,351             | 24,312                  | 9,373               | 40               | 811               | 42,887                 | 441                    | 8,209             | -                                 | 51,537              |
| Conferences, conventions and meetings                                       | -                 | -                       | -                   | -                | -                 | -                      | 11,629                 | -                 | 254,579                           | 266,208             |
| Volunteer appreciation  | 1,302             | 5,690                   | -                   | -                | -                 | 6,992                  | -                      | -                 | -                                 | 6,992               |
| Dues and subscriptions  | 11,699            | 4,172                   | 9,321               | 2,903            | 1,216             | 29,311                 | 2,912                  | 3,052             | -                                 | 35,275              |
| Storage and facilities  | 1,828             | 1,828                   | 1,828               | 1,015            | 14,165            | 20,664                 | 1,828                  | 1,828             | -                                 | 24,320              |
| Insurance   | 3,021             | 1,869                   | 1,869               | 817              | 1,085             | 8,661                  | 431                    | 431               | 807                               | 10,330              |
| Professional fees   | 35,504            | 12,317                  | 18,309              | 7,966            | 216               | 74,312                 | 9,593                  | 1,154             | 17,830                            | 102,889             |
| Telephone expenses  | 16,222            | 602                     | 1,663               | 2,449            | 2,426             | 23,362                 | -                      | -                 | -                                 | 23,362              |
| Utilities   | 3,842             | 1,732                   | 1,733               | 226              | 2,211             | 9,744                  | -                      | -                 | -                                 | 9,744               |
| Supplies  | 2,457             | 2,361                   | 3,775               | -                | 7,220             | 15,813                 | 3,600                  | 103               | 4,783                             | 24,299              |
| Postage and printing  | 1,365             | 23                      | 6,355               | 119              | 425               | 8,287                  | -                      | 605               | 621                               | 9,513               |
| Equipment and software  | 1,840             | 380                     | 1,523               | 2,602            | 1,765             | 8,110                  | 95                     | 574               | -                                 | 8,779               |
| Repairs and maintenance   | -                 | -                       | -                   | -                | -                 | -                      | 40                     | -                 | -                                 | 40                  |
| Bank and merchant fees  | 3,176             | 3,176                   | 3,176               | 3,176            | -                 | 12,704                 | 3,374                  | 3,176             | 9,761                             | 29,015              |
| Travel and mileage  | 712               | -                       | 3,161               | 13               | 7,959             | 11,845                 | 1                      | 6                 | -                                 | 11,852              |
| Licenses and fees   | 1,485             | 781                     | 781                 | 39               | 430               | 3,516                  | 195                    | 195               | -                                 | 3,906               |
| Curriculum development/implementation                                       | 1,500             | -                       | 1,500               | -                | -                 | 3,000                  | -                      | -                 | -                                 | 3,000               |
| Depreciation  | 3,544             | 1,553                   | 2,507               | 989              | 54                | 8,647                  | 926                    | 1,025             | -                                 | 10,598              |
| Credit loss expense   | -                 | -                       | -                   | -                | -                 | -                      | 86,723                 | -                 | -                                 | 86,723              |
|   | <u>466,198</u>    | <u>233,244</u>          | <u>467,402</u>      | <u>90,282</u>    | <u>214,236</u>    | <u>1,471,362</u>       | <u>236,769</u>         | <u>164,738</u>    | <u>288,381</u>                    | <u>2,161,250</u>    |
| Less amount reported in revenue and support on the statement of activities: |                   |                         |                     |                  |                   |                        |                        |                   |                                   |                     |
| Cost of direct benefit to donors  | -                 | -                       | -                   | -                | -                 | -                      | -                      | -                 | (288,381)                         | (288,381)           |
| Total expenses  | <u>\$ 466,198</u> | <u>\$ 233,244</u>       | <u>\$ 467,402</u>   | <u>\$ 90,282</u> | <u>\$ 214,236</u> | <u>\$ 1,471,362</u>    | <u>\$ 236,769</u>      | <u>\$ 164,738</u> | <u>\$ -</u>                       | <u>\$ 1,872,869</u> |

See accompanying notes to financial statements.

**Teen Lifeline, Inc.**  
**Statements of Functional Expenses**  
**For the Years Ended December 31, 2025 and 2024**

(Continued)

|   | 2024              |                         |                     |                   |                   |                        |                        |                   |                                   |                     |
|---|-------------------|-------------------------|---------------------|-------------------|-------------------|------------------------|------------------------|-------------------|-----------------------------------|---------------------|
|   | Program Services  |                         |                     |                   |                   | Supporting Services    |                        |                   | Cost of Direct Benefits to Donors |                     |
|   | Hotline           | Life Skills Development | Community Education | Caring Contacts   | Tucson            | Total Program Services | Management and General | Fundraising       | Donors                            | Total               |
| Personnel expenses:   |                   |                         |                     |                   |                   |                        |                        |                   |                                   |                     |
| Salaries and wages  | \$ 265,857        | \$ 129,512              | \$ 204,503          | \$ 71,228         | \$ 148,258        | \$ 819,358             | \$ 78,872              | \$ 79,183         | \$ -                              | \$ 977,413          |
| Payroll taxes and employee benefits   | 47,289            | 23,205                  | 36,366              | 13,529            | 14,863            | 135,252                | 13,902                 | 12,538            | -                                 | 161,692             |
| Total personnel expense   | <u>313,146</u>    | <u>152,717</u>          | <u>240,869</u>      | <u>84,757</u>     | <u>163,121</u>    | <u>954,610</u>         | <u>92,774</u>          | <u>91,721</u>     | <u>-</u>                          | <u>1,139,105</u>    |
| Other expenses:   |                   |                         |                     |                   |                   |                        |                        |                   |                                   |                     |
| Public relations and outreach   | 9,143             | 5,462                   | 104,965             | 5,432             | 862               | 125,864                | 5,333                  | 5,333             | -                                 | 136,530             |
| Training and development  | 9,471             | 3,817                   | 1,231               | 499               | 25                | 15,043                 | 519                    | 1,809             | -                                 | 17,371              |
| Conferences, conventions and meetings                                       | -                 | -                       | -                   | -                 | -                 | -                      | 3,354                  | -                 | 273,910                           | 277,264             |
| Volunteer appreciation  | 2,713             | 2,431                   | -                   | -                 | -                 | 5,144                  | -                      | -                 | -                                 | 5,144               |
| Dues and subscriptions  | 10,275            | 2,051                   | 5,786               | 1,757             | 301               | 20,170                 | 2,254                  | 2,862             | -                                 | 25,286              |
| Storage   | 1,611             | 1,611                   | 1,611               | 894               | 678               | 6,405                  | 1,611                  | 1,611             | -                                 | 9,627               |
| Insurance   | 3,479             | 2,126                   | 2,126               | 966               | -                 | 8,697                  | 483                    | 483               | 740                               | 10,403              |
| Professional fees   | 50,160            | 15,280                  | 27,224              | 11,832            | -                 | 104,496                | 10,194                 | 684               | 10,399                            | 125,773             |
| Telephone expenses  | 13,206            | 732                     | 1,464               | 3,111             | -                 | 18,513                 | -                      | -                 | -                                 | 18,513              |
| Utilities   | 3,245             | 721                     | 721                 | 361               | -                 | 5,048                  | 1,081                  | 1,081             | -                                 | 7,210               |
| Supplies  | 3,787             | 2,283                   | 3,275               | -                 | -                 | 9,345                  | 2,220                  | 56                | 5,164                             | 16,785              |
| Postage and printing  | 1,506             | 20                      | 4,231               | 295               | 103               | 6,155                  | -                      | 769               | 1,378                             | 8,302               |
| Equipment and software  | 3,207             | 20,517                  | 2,159               | 3,673             | 1,590             | 31,146                 | 1,005                  | 500               | -                                 | 32,651              |
| Repairs and maintenance   | 10                | 5                       | 6                   | 1                 | -                 | 22                     | -                      | -                 | -                                 | 22                  |
| Bank and merchant fees  | 3,330             | 3,330                   | 3,330               | 3,330             | -                 | 13,320                 | 3,482                  | 3,330             | 7,621                             | 27,753              |
| Travel and mileage  | 162               | -                       | 2,098               | 34                | 1,522             | 3,816                  | 115                    | -                 | -                                 | 3,931               |
| Licenses and fees   | 1,311             | 687                     | 687                 | 3                 | 30                | 2,718                  | 215                    | 215               | -                                 | 3,148               |
| Curriculum development/implementation                                       | -                 | -                       | 3,000               | -                 | -                 | 3,000                  | -                      | -                 | -                                 | 3,000               |
| Depreciation  | 5,849             | 14,791                  | 4,129               | 1,548             | -                 | 26,317                 | 1,549                  | 1,548             | -                                 | 29,414              |
|   | <u>435,611</u>    | <u>228,581</u>          | <u>408,912</u>      | <u>118,493</u>    | <u>168,232</u>    | <u>1,359,829</u>       | <u>126,189</u>         | <u>112,002</u>    | <u>299,212</u>                    | <u>1,897,232</u>    |
| Less amount reported in revenue and support on the statement of activities: |                   |                         |                     |                   |                   |                        |                        |                   |                                   |                     |
| Cost of direct benefit to donors  | -                 | -                       | -                   | -                 | -                 | -                      | -                      | -                 | (299,212)                         | (299,212)           |
| Total expenses  | <u>\$ 435,611</u> | <u>\$ 228,581</u>       | <u>\$ 408,912</u>   | <u>\$ 118,493</u> | <u>\$ 168,232</u> | <u>\$ 1,359,829</u>    | <u>\$ 126,189</u>      | <u>\$ 112,002</u> | <u>\$ -</u>                       | <u>\$ 1,598,020</u> |

See accompanying notes to financial statements.

**Teen Lifeline, Inc.**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2025 and 2024**

|  | <b>2025</b>  | <b>2024</b>  |
|--|--------------|--------------|
| <b>Cash Flows From Operating Activities</b>  |              |              |
| Change in net assets   | \$ (150,783) | \$ (58,294)  |
| Adjustments to reconcile change in net assets to net cash provided (used) by operating activities: |              |              |
| Depreciation   | 10,598       | 29,414       |
| (Increase) decrease in assets:   |              |              |
| Contributions and grants receivable  | 120,737      | (61,510)     |
| Prepaid expenses   | (13,911)     | (5,996)      |
| Right-of-use asset   | (34,311)     | -            |
| Increase (decrease) in liabilities:  |              |              |
| Accounts payable   | 17,763       | (3,347)      |
| Accrued payroll liabilities  | 23,362       | 30,561       |
| Right-of-use liability   | 34,311       | -            |
| Net cash provided (used) by operating activities   | 7,766        | (69,172)     |
| <b>Cash Flows From Investing Activities</b>  |              |              |
| Purchases of property and equipment  | (4,387)      | -            |
| Net cash used by investing activities  | (4,387)      | -            |
| <br>   |              |              |
| Net increase (decrease) in cash and cash equivalents   | 3,379        | (69,172)     |
| Cash and cash equivalents, at beginning of year  | 2,206,693    | 2,275,865    |
| Cash and cash equivalents, at end of year  | \$ 2,210,072 | \$ 2,206,693 |

See accompanying notes to financial statements.

**Teen Lifeline, Inc.**  
**Notes to Financial Statements**  
**December 31, 2025 and 2024**

**Note 1 - Nature of Activities and Summary of Significant Accounting Policies**

*Nature of Activities*

Teen Lifeline, Inc. (the Organization), was incorporated under the laws of the State of Arizona in June 1999 and has been in operation since 1985, originally as part of another not-for-profit organization.

Teen Lifeline provides a safe, confidential, and crucial crisis intervention service for Arizona teens. Teen Lifeline's work is towards its mission to prevent teen suicide in Arizona through enhancing resiliency in youth and fostering supportive communities. This happens through its peer-to-peer crisis hotline and suicide prevention education services for teens, educators, and parents. Additionally, as an all-around service, Teen Lifeline further works to prevent youth suicide by fostering supportive communities.

*Basis of Accounting*

The financial statements of the Organization have been prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables, and other liabilities.

*Basis of Presentation*

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

*Cash and Cash Equivalents*

Cash includes cash and, at times, cash equivalents consisting of highly liquid financial instruments purchased with original maturities of three months or less. Deposits at financial institutions are insured in limited amounts by the Federal Deposit Insurance Corporation (FDIC).

**Teen Lifeline, Inc.**  
**Notes to Financial Statements**  
**December 31, 2025 and 2024**

**Note 1 - Nature of Activities and Summary of Significant Accounting Policies (Continued)**

Concentration of credit risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents. The Organization maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. The Organization's cash and cash equivalent accounts have been placed with high credit quality financial institutions. At December 31, 2025 and 2024, the Organization had cash and cash equivalents that exceeded federally insured limits totaling \$391,329 and \$523,765, respectively. The Organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

Receivables

Grants receivable

Grants receivable are stated at the amount management expects to collect from outstanding balances due from government agencies for program services for uncollected balances awarded in the calendar year. The amounts are considered fully collectible at December 31, 2025 and 2024.

Contributions receivable

Unconditional promises to give are recognized as revenues in the period the promise is received and as assets, decreases of liabilities or expenses depending on the form of the benefits received. Unconditional promises to give that are to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. At December 31, 2025 and 2024, management considers all contributions receivable to be fully collectible and, therefore, no allowance for doubtful accounts has been provided. At December 31, 2025 and 2024, all contributions receivable were due in less than 1 year, accordingly, management does not consider a discount necessary.

Property and Equipment

The Organization capitalizes all expenditures for property and equipment that materially prolong the useful life of an asset in excess of \$1,000. Property and equipment is carried at cost or fair value at the date of donation. Depreciation is recognized using the straight-line method over the assets' estimated life as follows:

|                         |                |
|-------------------------|----------------|
| Buildings               | 39 years       |
| Building Improvements   | 10 to 39 years |
| Furniture and Equipment | 5 to 7 years   |

**Teen Lifeline, Inc.**  
**Notes to Financial Statements**  
**December 31, 2025 and 2024**

**Note 1 - Nature of Activities and Summary of Significant Accounting Policies (Continued)**

*Property and Equipment (Continued)*

Major additions and improvements are capitalized. Maintenance and repairs are expensed as incurred. When assets are retired or otherwise disposed of, the related costs and accumulated depreciation are removed from the accounts and gains and losses are included in operations.

*Leases*

The Organization categorizes leases with contractual terms longer than twelve months as either operating or finance leases. Finance leases are generally those leases that allow the Organization to substantially utilize or pay for the entire asset over its estimated useful life. All other leases are categorized as operating leases. Leases with contractual terms of 12 months or less are not recorded on the balance sheet. The Organization had no significant finance or operating leases during 2024. In June 2025, the Organization started a new operating lease for the crisis center in Tucson. The present value of the future lease payments net of amortization is reflected as a right-of-use asset in the statement of financial position as of December 31, 2025.

Certain lease contracts include obligations to pay for other services such as operations, property taxes and maintenance. For leases of property, the services are accounted for separately and payments are allocated to the lease and other services components based on stand-alone prices.

Lease liabilities are recognized at the present value of the fixed lease payments, using a discount rate based on similarly secured borrowings available. Right of use assets are recognized based on the initial present value of the fixed lease payments, plus any direct costs from executing the leases. Lease assets are tested for impairment in the same manner as long-lived assets used in operations.

Options to extend lease terms, terminate leases before the contractual expiration date, or purchase the lease assets, are evaluated for their likelihood of exercise. If it is reasonably certain that the option will be exercised, the option is considered in determining the classification and measurement of the lease.

Costs associated with operating lease assets are recognized on a straight-line basis within operating expenses over the term of the lease.

*Impairment of Long-Lived Assets*

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. Management does not believe impairment indicators are present.

**Teen Lifeline, Inc.**  
**Notes to Financial Statements**  
**December 31, 2025 and 2024**

**Note 1 - Nature of Activities and Summary of Significant Accounting Policies (Continued)**

Income Taxes

The Organization is a public charity, nonprofit organization as defined in the Internal Revenue Code Section 501(c)(3) and is therefore exempt from federal and state income taxes. It is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

| <u>Expense</u>                             | <u>Method of Allocation</u> |
|--|-----------------------------|
| Salaries and wages                         | Time and Effort             |
| Employee benefits                          | Time and Effort             |
| Payroll taxes                              | Time and Effort             |
| Occupancy                                  | Effort                      |
| Curriculum, bank fees,<br>and depreciation | Percentage of use           |

**Teen Lifeline, Inc.**  
**Notes to Financial Statements**  
**December 31, 2025 and 2024**

**Note 1 - Nature of Activities and Summary of Significant Accounting Policies (Continued)**

Revenue Recognition

Special Event Revenue

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. The Organization recognizes special events revenue equal to the fair value of direct benefits to donors when the special event takes place. The Organization recognizes the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place.

Contributions

Unconditional contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. 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 and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restrictions. As of December 31, 2024, \$37,000 in conditional support from Pima County Health Department was received where the conditions were expected to be met in 2025, however, those conditions were not met in 2025, and the conditions of the contribution were extended to June 30, 2026. As of December 31, 2025, there was approximately \$10,000 in conditional support pledged from the Arizona Department of Health Services and \$100,000 from the Ibris Foundation of Arizona where the conditions are expected to be met in 2026.

Contributed property and equipment

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

**Teen Lifeline, Inc.**  
**Notes to Financial Statements**  
**December 31, 2025 and 2024**

**Note 1 - Nature of Activities and Summary of Significant Accounting Policies (Continued)**

*Donated Services*

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased by the Organization.

Additionally, volunteers donate a significant amount of time to the Organization's program services. The fair value of these donated services is not recognized in the statement of activities since they do not meet the criteria for recognition under generally accepted accounting principles.

The estimated unrecorded value of donated services contributed by volunteers for the years ended December 31, 2025 and 2024 is as follows:

|                                     | <b>2025</b>                |            |
|-------------------------------------|----------------------------|------------|
|                                     | Number of Hours<br>Donated | Value      |
| Program services                    | 12,965                     | \$ 451,052 |
| Management, general and fundraising | 377                        | 13,116     |
| Total                               | 13,342                     | \$ 464,168 |

  

|                                     | <b>2024</b>                |            |
|-------------------------------------|----------------------------|------------|
|                                     | Number of Hours<br>Donated | Value      |
| Program services                    | 20,124                     | \$ 673,953 |
| Management, general and fundraising | 350                        | 11,722     |
| Total                               | 20,474                     | \$ 685,674 |

The estimated monetary value of volunteer hours reflected above is calculated at \$34.79 and \$33.49 based on the Economic Reports of the President as reported by Independent Sector in 2025 and 2024, respectively.

*Fair Value Measurements*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available.

**Teen Lifeline, Inc.**  
**Notes to Financial Statements**  
**December 31, 2025 and 2024**

**Note 1 - Nature of Activities and Summary of Significant Accounting Policies (Continued)**

*Fair Value Measurements (Continued)*

A three-tier hierarchy categorizes the inputs as follows:

Level 1 - Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

Level 2 - Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets/liabilities in active markets;
- Quoted prices for identical or similar assets in non-active markets;
- Inputs other than quoted prices that are observable for the asset/liability; and,
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3 - Unobservable inputs that cannot be corroborated by observable market data. inputs that are unobservable, including the Organization's own assumptions in determining the fair value of assets such as published catalogs, vendors, independent appraisals, and other sources. Methods such as estimates, averages, or computational approximations, such as average value per pound or subsequent sales can be used.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to an entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset or liability.

*Advertising – Public Relations and Outreach*

The Organization uses advertising to accomplish and promote its programs to the public. Advertising costs are charged to operations as incurred or at the time they are donated. Advertising expenses were \$124,400 and \$136,530, for the years ended December 31, 2025 and 2024, respectively.

*Date of Management's Review*

In preparing these consolidated financial statements, the Organization's management has evaluated events and transactions for potential recognition or disclosure through April 22, 2026, the date the consolidated financial statements were available for issuance.

**Teen Lifeline, Inc.**  
**Notes to Financial Statements**  
**December 31, 2025 and 2024**

**Note 2 – Availability and Liquidity**

The Organization’s goal is generally to maintain financial assets to meet one year of total expenses (approximately \$1.8 million and \$1.5 million in 2025 and 2024, respectively). As part of its liquidity plan, the entity maintains the majority of its short-term assets in cash accounts, including interest bearing money market accounts. To help manage unanticipated liquidity needs, the Organization had a \$12,000 revolving line of credit with a bank.

The following represents the Organization’s financial assets to meet its operations needs as of December 31,:

|  | <u>2025</u>         | <u>2024</u>         |
|--|---------------------|---------------------|
| Cash and cash equivalents                                | \$ 2,210,072        | \$ 2,206,693        |
| Contributions and grants receivable                      | 76,785              | 197,522             |
| Less contractual or donor-imposed restrictions:          |                     |                     |
| Restricted by donors with purpose                        | -                   | -                   |
| Financial assets available to be used<br>within one year | <u>\$ 2,286,857</u> | <u>\$ 2,404,215</u> |

**Note 3 - Property and Equipment**

Property and equipment consist of the following at December 31,:

|                                   | <u>2025</u>       | <u>2024</u>       |
|-----------------------------------|-------------------|-------------------|
| Building                          | \$ 192,170        | \$ 192,170        |
| Building improvements             | 43,664            | 43,664            |
| Land                              | 47,650            | 47,650            |
| Furniture, fixtures and equipment | 5,888             | 36,914            |
| Accumulated depreciation          | (79,636)          | (104,451)         |
|                                   | <u>\$ 209,736</u> | <u>\$ 215,947</u> |

Depreciation expense totaled \$10,598 and \$29,414 for the years ended December 31, 2025 and 2024, respectively.

**Note 4 – Accrued Liabilities**

Accrued payroll liabilities consist of the following at December 31,:

|                                   | <u>2025</u>       | <u>2024</u>       |
|-----------------------------------|-------------------|-------------------|
| Accrued Payroll                   | 55,379            | \$ 46,754         |
| Accrued Vacation                  | 54,801            | 48,430            |
| Accrued Retirement Payable        | 33,673            | 25,307            |
| Total accrued payroll liabilities | <u>\$ 143,853</u> | <u>\$ 120,491</u> |

**Teen Lifeline, Inc.**  
**Notes to Financial Statements**  
**December 31, 2025 and 2024**

**Note 5 – Net Assets with Donor Restrictions**

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

|  | <u>2025</u>       | <u>2024</u>       |
|--|-------------------|-------------------|
| Time restricted:                             |                   |                   |
| 2026 grant received in 2025                  | \$ 100,000        |                   |
| Grant receivable                             |                   | \$ 114,634        |
| Purpose and time restricted:                 |                   |                   |
| Government Grants - Program Services in 2026 | 107,668           | -                 |
| Total purpose and time restricted            | <u>107,668</u>    | <u>-</u>          |
| Total net assets with donor restrictions     | <u>\$ 207,668</u> | <u>\$ 114,634</u> |

**Note 6 – Donated Services and Materials**

The Organization received donated materials and time from professionals that the Organization would usually have to pay for the services. Donated services are recorded within the year the services were received as revenue, without donor restrictions, and an equal amount is recorded in program expenses within the statement of activities resulting in no net impact on the changes in net assets during the year.

The estimated fair value of donated materials and services received and used for programmatic purposes are as follows as of December 31,:

| <u>Type</u>                                   | <u>2025</u>       | <u>2024</u>       |
|---|-------------------|-------------------|
| Donated services:                             |                   |                   |
| Advertising: Print, television, radio, online | \$ 133,923        | \$ 119,765        |
| Room and facilities                           | 5,720             | -                 |
| Professional services                         | 9,400             | -                 |
| Donated goods:                                |                   |                   |
| Peer/volunteer appreciation and other goods   | 4,117             | 3,244             |
| Furniture and equipment for Tucson location   | 5,090             |                   |
| Total donated services and goods:             | <u>\$ 158,250</u> | <u>\$ 123,009</u> |

**Note 7 – Retirement Plan**

The Organization offers a SIMPLE IRA plan for all full-time equivalent employees who earn more than \$5,000. The Organization matches employee contributions into the plan up to 3%. Contributions into the plan totaled \$33,673 and \$25,307, for the years ended December 31, 2025 and 2024, respectively.

**Note 8 – Line of Credit**

The Organization has a \$12,000 unsecured, revolving line of credit with Wells Fargo bank. Borrowings under the line bear interest at an annual interest rate of 13.25%. Accrued interest and principal are due at maturity, although the line operates with no stated maturity. There were no amounts outstanding on the line of credit as of December 31, 2025.

**Teen Lifeline, Inc.**  
**Notes to Financial Statements**  
**December 31, 2025 and 2024**

**Note 9 – Operating Lease**

The Organization has entered into a facility lease which is classified as an operating lease. The lease expires in June 2028. The lease contains two, three-year renewal options. The renewal option is not recognized as part of the right-of-use asset or lease liabilities since it is not assured that the Organization will exercise this option. The Organization has used its weighted average internal borrowing rate of 4% as the discount rate on these leases. The refundable security deposit paid in accordance with the lease is not recognized as part of the right-of-use asset or lease liabilities since it is refundable.

The Organization also leases certain other facilities and equipment under leases with original terms of 12 months or less and with future payments that are immaterial to the Organization's financial statements. The Organization has elected to treat these leases as short-term leases in accordance with ASC 842-20-25-2 and does not recognize right-of-use assets or lease liabilities for these short-term leases. Lease expense on short-term leases is recognized on a straight-line basis over the term of the lease.

Operating lease cost and other information for the year ended December 31, 2025, as follows:

|                      |                  |
|----------------------|------------------|
| Lease cost           |                  |
| Operating lease cost | \$ 13,362        |
| Short-term leases    | 18,146           |
| Total lease cost     | <u>\$ 31,508</u> |

Minimum future lease payments under the operating leases having remaining terms in excess of one year at December 31, 2025, are as follows:

|                                  |                  |
|----------------------------------|------------------|
| <u>Years ending December 31,</u> |                  |
| 2025                             | \$ 13,362        |
| 2026                             | 23,429           |
| 2027                             | 24,366           |
| 2028                             | <u>12,464</u>    |
| Total minimum future payments    | <u>73,621</u>    |
| Discount                         | <u>(39,310)</u>  |
| Operating lease liability        | <u>\$ 34,311</u> |