

**CRISIS TEXT LINE, INC.**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
**AND**  
**INDEPENDENT AUDITORS' REPORT**

**CRISIS TEXT LINE, INC.**

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# FRIEDMAN LLP<sup>®</sup>

ACCOUNTANTS AND ADVISORS

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Crisis Text Line, Inc.

### Opinion

We have audited the accompanying financial statements of Crisis Text Line, Inc. (the "Organization"), which comprise the statements of financial position as of December 31, 2021 and 2020, 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 Crisis Text Line, Inc. as of December 31, 2021 and 2020, 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 audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Crisis Text Line, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the 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 Crisis Text Line, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

(Continued)

## **Auditors' 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 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 audits.
- 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 audits.



November 15, 2022

**CRISIS TEXT LINE, INC.**

**STATEMENTS OF FINANCIAL POSITION**

	December 31,	
	2021	2020
<b>ASSETS</b>		
Cash and cash equivalents	\$ 33,202,238	\$ 39,724,772
Certificates of deposit	275,347	275,312
Contributions receivable	2,235,471	5,231,760
Prepaid expenses and other assets	451,734	379,443
Investment, at fair value	7,131,792	18,224,520
Accrued interest receivable	7,383	71,197
Property and equipment, net	8,756	18,881
Other assets	5,663	7,036
Total assets	\$ 43,318,384	\$ 63,932,921
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 2,788,139	\$ 1,436,550
Deferred rent	147,709	138,392
Total liabilities	2,935,848	1,574,942
Commitments and contingencies		
<b>Net assets</b>		
Without donor restrictions	39,514,536	58,103,779
With donor restrictions	868,000	4,254,200
Total net assets	40,382,536	62,357,979
Total liabilities and net assets	\$ 43,318,384	\$ 63,932,921

See notes to financial statements.

**CRISIS TEXT LINE, INC.**

**STATEMENT OF ACTIVITIES**

**YEAR ENDED DECEMBER 31, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and revenues</b>			
Contributions	\$ 8,899,891	\$ 868,000	\$ 9,767,891
Contributions in-kind	240,781	-	240,781
Investment income	19,681	-	19,681
Miscellaneous	24,419	-	24,419
Net assets released from restrictions	4,254,200	(4,254,200)	-
<b>Total support and revenues</b>	<b>13,438,972</b>	<b>(3,386,200)</b>	<b>10,052,772</b>
<b>Expenses</b>			
Program expenses			
Crisis counselor community	5,183,978	-	5,183,978
Supervision	8,037,599	-	8,037,599
Engineering and tech	7,710,464	-	7,710,464
Data	1,957,398	-	1,957,398
International expansion	1,214,048	-	1,214,048
<b>Total program expenses</b>	<b>24,103,487</b>	<b>-</b>	<b>24,103,487</b>
Supporting services			
Management and general	6,971,743	-	6,971,743
Fundraising	952,985	-	952,985
<b>Total supporting services</b>	<b>7,924,728</b>	<b>-</b>	<b>7,924,728</b>
<b>Total expenses</b>	<b>32,028,215</b>	<b>-</b>	<b>32,028,215</b>
Change in net assets	(18,589,243)	(3,386,200)	(21,975,443)
Net assets, beginning of year	58,103,779	4,254,200	62,357,979
<b>Net assets, end of year</b>	<b>\$ 39,514,536</b>	<b>\$ 868,000</b>	<b>\$ 40,382,536</b>

See notes to financial statements.

**CRISIS TEXT LINE, INC.**

**STATEMENT OF ACTIVITIES**

**YEAR ENDED DECEMBER 31, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and revenues</b>			
Contributions	\$ 46,115,274	\$ 2,992,200	\$ 49,107,474
Contributions in-kind	780,295	-	780,295
Investment income	166,543	-	166,543
Miscellaneous	21,299	-	21,299
Net assets released from restrictions	4,743,014	(4,743,014)	-
<b>Total support and revenues</b>	<b>51,826,425</b>	<b>(1,750,814)</b>	<b>50,075,611</b>
<b>Expenses</b>			
Program expenses			
Crisis counselor community	4,669,027	-	4,669,027
Supervision	6,060,034	-	6,060,034
Engineering and tech	5,728,667	-	5,728,667
Data	1,173,016	-	1,173,016
International expansion	844,929	-	844,929
<b>Total program expenses</b>	<b>18,475,673</b>	<b>-</b>	<b>18,475,673</b>
Supporting services			
Management and general	6,645,917	-	6,645,917
Fundraising	718,291	-	718,291
<b>Total supporting services</b>	<b>7,364,208</b>	<b>-</b>	<b>7,364,208</b>
<b>Total expenses</b>	<b>25,839,881</b>	<b>-</b>	<b>25,839,881</b>
Change in net assets	25,986,544	(1,750,814)	24,235,730
Net assets, beginning of year	32,117,235	6,005,014	38,122,249
<b>Net assets, end of year</b>	<b>\$ 58,103,779</b>	<b>\$ 4,254,200</b>	<b>\$ 62,357,979</b>

See notes to financial statements.

**CRISIS TEXT LINE, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED DECEMBER 31, 2021**

	Program Expenses						Supporting Services			Total Expenses
	Crisis Counselor Community	Supervision	Engineering and Tech	Data	International Expansion	Total Program	Management and General	Fundraising	Total Supporting	
<b>Personnel costs</b>										
Salaries	\$ 3,460,688	\$ 5,817,441	\$ 4,778,978	\$ 1,227,002	\$ 168,573	\$ 15,452,682	\$ 3,297,954	\$ 644,804	\$ 3,942,758	\$ 19,395,440
Payroll taxes and benefits	1,075,681	1,808,224	1,485,440	381,387	52,397	4,803,129	840,279	200,423	1,040,702	5,843,831
<b>Total personnel costs</b>	<b>4,536,369</b>	<b>7,625,665</b>	<b>6,264,418</b>	<b>1,608,389</b>	<b>220,970</b>	<b>20,255,811</b>	<b>4,138,233</b>	<b>845,227</b>	<b>4,983,460</b>	<b>25,239,271</b>
<b>Other expenses</b>										
Business tax and licenses	-	-	-	-	-	-	20,163	-	20,163	20,163
Depreciation	-	-	-	-	-	-	10,125	-	10,125	10,125
Equipment purchases	28,025	47,110	38,700	9,936	1,365	125,136	21,892	5,222	27,114	152,250
Insurance	9,067	15,241	12,521	3,215	442	40,486	7,083	1,689	8,772	49,258
In-kind technology expenses	-	-	27,101	-	-	27,101	-	-	-	27,101
In-kind subscriptions	-	-	-	-	-	-	16,123	-	16,123	16,123
In-kind other expenses	-	-	-	-	-	-	1,000	-	1,000	1,000
In-kind legal expenses	-	-	-	-	-	-	196,557	-	196,557	196,557
Office expenses	29,393	37,486	36,827	12,333	6,108	122,147	143,683	16,721	160,404	282,551
Professional fees	25,912	59,384	562,193	21,000	398,877	1,067,366	1,626,952	31,790	1,658,742	2,726,108
Rent and utilities	132,561	222,835	183,057	47,000	6,457	591,910	142,310	24,699	167,009	758,919
Repairs and maintenance	5,627	9,459	7,771	1,995	274	25,126	4,396	1,048	5,444	30,570
Marketing and public relations	-	-	-	-	-	-	378,146	-	378,146	378,146
Subscriptions	228,194	8,990	266,059	253,530	105,298	862,071	238,481	24,773	263,254	1,125,325
Tech support and hosting	-	-	311,626	-	474,257	785,883	8,479	-	8,479	794,362
Travel and meetings	1,991	11,429	191	-	-	13,611	18,120	1,816	19,936	33,547
Volunteer expenses	134,839	-	-	-	-	134,839	-	-	-	134,839
Grants	52,000	-	-	-	-	52,000	-	-	-	52,000
<b>Total other expenses</b>	<b>647,609</b>	<b>411,934</b>	<b>1,446,046</b>	<b>349,009</b>	<b>993,078</b>	<b>3,847,676</b>	<b>2,833,510</b>	<b>107,758</b>	<b>2,941,268</b>	<b>6,788,944</b>
<b>Total expenses</b>	<b>\$ 5,183,978</b>	<b>\$ 8,037,599</b>	<b>\$ 7,710,464</b>	<b>\$ 1,957,398</b>	<b>\$ 1,214,048</b>	<b>\$ 24,103,487</b>	<b>\$ 6,971,743</b>	<b>\$ 952,985</b>	<b>\$ 7,924,728</b>	<b>\$ 32,028,215</b>

See notes to financial statements.



**CRISIS TEXT LINE, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED DECEMBER 31, 2020**

	Program Expenses						Supporting Services			
	Crisis Counselor Community	Supervision	Engineering and Tech	Data	International Expansion	Total Program	Management and General	Fundraising	Total Supporting	Total Expenses
<b>Personnel costs</b>										
Salaries	\$ 2,394,524	\$ 4,155,410	\$ 3,620,768	\$ 715,056	\$ 153,073	\$ 11,038,831	\$ 2,464,451	\$ 488,608	\$ 2,953,059	\$ 13,991,890
Payroll taxes and benefits	631,977	1,357,367	835,136	126,614	43,369	2,994,463	881,274	107,581	988,855	3,983,318
<b>Total personnel costs</b>	<b>3,026,501</b>	<b>5,512,777</b>	<b>4,455,904</b>	<b>841,670</b>	<b>196,442</b>	<b>14,033,294</b>	<b>3,345,725</b>	<b>596,189</b>	<b>3,941,914</b>	<b>17,975,208</b>
<b>Other expenses</b>										
Business tax and licenses	-	-	-	-	-	-	1,147	-	1,147	1,147
Depreciation	-	-	-	-	-	-	9,576	-	9,576	9,576
Equipment purchases	73,998	65,159	19,076	11,212	2,400	171,845	38,644	7,662	46,306	218,151
Insurance	16,013	14,100	4,128	2,426	519	37,186	8,362	1,658	10,020	47,206
In-kind technology expenses	-	-	75,000	-	-	75,000	-	-	-	75,000
In-kind subscriptions	-	-	-	-	-	-	40,813	-	40,813	40,813
In-kind legal expenses	-	-	-	-	-	-	664,482	-	664,482	664,482
Office expenses	38,311	50,744	16,349	4,904	1,220	111,528	31,692	21,483	53,175	164,703
Professional fees	77,336	182,813	620,826	162,600	255,595	1,299,170	2,043,352	39,757	2,083,109	3,382,279
Rent and utilities	233,187	205,331	60,114	35,333	7,564	541,529	121,776	24,144	145,920	687,449
Repairs and maintenance	8,130	7,158	2,096	1,232	264	18,880	4,245	842	5,087	23,967
Marketing and public relations	-	-	-	-	20,000	20,000	118,352	-	118,352	138,352
Subscriptions	153,470	11,600	311,569	106,343	40,270	623,252	168,110	21,178	189,288	812,540
Tech support and hosting	-	-	161,580	-	315,006	476,586	42	-	42	476,628
Travel and meetings	8,339	10,292	2,025	7,296	5,649	33,601	49,554	5,378	54,932	88,533
Volunteer expenses	231,742	60	-	-	-	231,802	45	-	45	231,847
Grants	802,000	-	-	-	-	802,000	-	-	-	802,000
<b>Total other expenses</b>	<b>1,642,526</b>	<b>547,257</b>	<b>1,272,763</b>	<b>331,346</b>	<b>648,487</b>	<b>4,442,379</b>	<b>3,300,192</b>	<b>122,102</b>	<b>3,422,294</b>	<b>7,864,673</b>
<b>Total expenses</b>	<b>\$ 4,669,027</b>	<b>\$ 6,060,034</b>	<b>\$ 5,728,667</b>	<b>\$ 1,173,016</b>	<b>\$ 844,929</b>	<b>\$ 18,475,673</b>	<b>\$ 6,645,917</b>	<b>\$ 718,291</b>	<b>\$ 7,364,208</b>	<b>\$ 25,839,881</b>

See notes to financial statements.

**CRISIS TEXT LINE, INC.**

**STATEMENTS OF CASH FLOWS**

	Year Ended December 31,	
	2021	2020
<b>Cash flows from operating activities</b>		
Change in net assets	\$ (21,975,443)	\$ 24,235,730
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	10,125	9,576
Net realized and unrealized loss on investments	84,064	281,616
Changes in assets and liabilities		
Contributions receivable	2,996,289	(129,206)
Prepaid expenses and other assets	(72,291)	(292,394)
Accrued interest receivable	63,814	73,151
Other assets	1,373	16,824
Accounts payable and accrued expenses	1,351,589	262,999
Deferred rent	9,317	18,434
Net cash provided by (used in) operating activities	(17,531,163)	24,476,730
<b>Cash flows from investing activities</b>		
Purchase of investments	(2,618)	(37,772,467)
Proceeds from sale of investments	11,011,335	44,827,673
Net cash provided by investing activities	11,008,717	7,055,206
<b>Net increase (decrease) in cash and cash equivalents and restricted cash</b>	(6,522,446)	31,531,936
Cash and cash equivalents and restricted cash, beginning of year	40,000,084	8,468,148
<b>Cash and cash equivalents and restricted cash, end of year</b>	\$ 33,477,638	\$ 40,000,084
<b>Reconciliation of cash and cash equivalents and restricted cash, beginning of year</b>		
Cash and cash equivalents	\$ 39,724,772	\$ 8,192,975
Certificates of deposit	275,312	275,173
<b>Cash and cash equivalents and restricted cash, beginning of year</b>	\$ 40,000,084	\$ 8,468,148
<b>Reconciliation of cash and cash equivalents and restricted cash, end of year</b>		
Cash and cash equivalents	\$ 33,202,238	\$ 39,724,772
Certificates of deposit	275,347	275,312
<b>Cash and cash equivalents and restricted cash, end of year</b>	\$ 33,477,585	\$ 40,000,084

See notes to financial statements.

# CRISIS TEXT LINE, INC.

## NOTES TO FINANCIAL STATEMENTS

### 1 - ORGANIZATION AND NATURE OF ACTIVITIES

Crisis Text Line, Inc. (“CTL, Inc.” or the “Organization”), a not-for-profit organization, was incorporated in the State of New York on April 2, 2012. CTL, Inc.’s primary purpose is to use technology and data innovations to pioneer new approaches to support people in need. CTL, Inc.’s major program services include the following:

Crisis Counselor Community - all costs associated with recruiting and retaining volunteers; development and training and cultural competencies in the community to appropriately communicate with and promote CTL, Inc. as a service to all communities.

Supervision - a dedicated group of paid supervisors that service and manage crisis counselors and oversee all texters on the CTL, Inc. platform.

Engineering and Tech - coding, refining, and supporting the CTL, Inc. texting platform.

Data - a dedicated group of data scientists that collect and share statistical data and develop metrics from texting activity and crisis counselor demographics.

International Expansion - all costs associated with setting up partnerships with organizations outside of the United States to expand texting services globally.

CTL, Inc. receives its support primarily from donations from foundations and individuals.

### 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of Presentation**

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

The financial statement presentation is in accordance with Financial Accounting Standards Board Accounting Standards Codification (“FASB ASC”) 958, “Not-for-Profit Entities”. Under ASC 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: those without donor restrictions and those with donor restrictions.

Net assets without donor restrictions are those net assets that are not subject to donor-imposed restrictions. Net assets with donor restrictions are subject to donor stipulations that limit the use of their contributions, which either expire by the passage of time or when used for specified purposes.

## CRISIS TEXT LINE, INC.

### NOTES TO FINANCIAL STATEMENTS

#### 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### **Cash and Cash Equivalents**

Cash balances in banks are insured by the Federal Deposit Insurance Corporation subject to certain limitations. For financial statement purposes, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

##### **Investments**

Investments which consist of fixed income securities are carried at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Realized and unrealized gains and losses are reflected in the statements of activities. To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization purchases fixed income securities and Treasury bonds to achieve its long-term and short-term return objectives, while maintaining portfolio stability and preserving capital. Donated securities are recorded at their fair market value on the date received.

The Organization uses the equity method to account for its investment in Loris.ai, Inc. (“Loris.ai”) where it has significant influence, but not control. Ownership in Loris.ai does not exceed 50%. Under the equity method, the Organization initially records its investment at cost, and then recognizes in earnings its proportionate share of the income and loss of Loris.ai.

##### **Fair Value**

GAAP establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

## CRISIS TEXT LINE, INC.

### NOTES TO FINANCIAL STATEMENTS

#### 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### **Fair Value** (Continued)

Under GAAP, the three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs to the valuation methodology include:

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

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Unobservable inputs that reflect management's own assumptions.

##### **Property and Equipment**

Office furniture, equipment and software are carried at cost if purchased, or if acquired in-kind, at their fair market value at the date of the gift. Any expenditure over \$1,000 in these categories is capitalized. Fixed assets are depreciated using the straight-line basis over the estimated useful lives of the assets.

##### **Contributions Receivable**

Contributions receivable are recorded at net realizable value if expected to be collected in one year and, if material, multiyear receivables are recorded at the present value of their estimated future cash flow. If applicable, amortization of the discount is included in contribution revenue. The allowance for uncollectible contributions receivable is determined based on management's evaluation of the collectability of individual promises. There were no significant contributions that management deemed to be uncollectible as of December 31, 2021 and 2020.

##### **Contribution Revenue**

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Contributions are considered conditional when the underlying agreement includes a performance barrier and a right of return or a right to release promised assets exists. Conditional promises to give are not recognized until the performance barrier and the right of return or release have been overcome.

## CRISIS TEXT LINE, INC.

### NOTES TO FINANCIAL STATEMENTS

#### 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### **In-Kind Contributions**

Contributions of donated noncash assets are recorded at fair value in the period received. Contributions of donated services that create or enhance nonfinancial assets, or that require specialized skills, provided by individuals possessing those skills and typically required to be purchased if not provided by donation, are recorded at fair value in the period received.

Volunteers play an important role in the services that the Organization provides by being on the front lines when connecting to and having a text conversation with individuals in need of mental health support. Such volunteer hours do not meet the definition of when donated services are recognized in the financial statements. During the years ended December 31, 2021 and 2020, volunteer hours were approximately 604,866 and 670,000 respectively. The Independent Sector values such services at a rate of \$29.95 of in 2021 and \$28.48 in 2020 which equate to a value received of \$18,115,737 in 2021 and \$19,081,600 in 2020.

##### **Functional Allocation of Expenses**

The financial statements report certain categories of expenses that are attributed to more than one supporting function. As such, some expenses require allocation that properly reflects shared costs at a reasonable basis that is consistently applied.

The Organization utilizes a hybrid approach to expense allocation between program expenses and supporting services. The Organization estimates percentages of time spent on projects related to program expenses and supporting services and eligible employee benefits, taxes and salaries, etc. are allocated based upon this estimated percentage. Specific expenses related to technology, professional fees, travel, and other classifications are directly charged to the function for which they are related. Administrative costs including general liability and business operations are directly charged as management overhead. Rent, utilities and other office expenses have been allocated based on a weighted average of personnel and their estimated percentage of time spent to projects related to program expenses and supporting services.

In 2020, The Organization incurred significant nonrecurring expenses which were included in the supporting services category. For the year ended December 31, 2020, excluding these items would result in an adjustment of the Organization's ratio of programmatic expense to supporting expense from 71% and 29% to 73% and 27%.

##### **Accounting for Income Taxes**

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal, state or local income taxes has been recorded.

##### **Subsequent Events**

These financial statements were approved by management and available for issuance on November 15, 2022. Management has evaluated subsequent events through this date.

**CRISIS TEXT LINE, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**3 - CONTRIBUTIONS RECEIVABLE**

Contributions receivable consisted of the following:

	December 31,	
	2021	2020
Amount due in less than one year	\$ 2,235,471	\$ 5,231,760
Amount due from one to five years	-	-
	\$ 2,235,471	\$ 5,231,760

**4 - INVESTMENTS**

The following table sets forth, by level, the Organization’s investments at fair value, within the fair value hierarchy:

December 31, 2021		2021 Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Description	Total			
Fixed income securities	\$ 7,131,739	\$ 7,131,739	\$ -	\$ -

December 31, 2020		2020 Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Description	Total			
Fixed income securities	\$ 18,224,520	\$ 18,224,520	\$ -	\$ -

**CRISIS TEXT LINE, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**4 - INVESTMENTS (Continued)**

Net investment income (including interest income from the certificate of deposit) consisted of the following:

	Year Ended December 31,	
	2021	2020
Interest and dividends	\$ 103,457	\$ 448,159
Net unrealized and realized losses	(83,776)	(281,616)
Net investment income	\$ 19,681	\$ 166,543

Included in interest and dividends for the years ended December 31, 2021 and 2020 is accrued interest of \$7,383 and \$71,197, respectively.

**5 - PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following:

	December 31,	
	2021	2020
Equipment	\$ 72,963	\$ 72,963
Furniture and fixtures	23,103	23,103
	96,066	96,066
Less - Accumulated depreciation	87,310	77,185
	\$ 8,756	\$ 18,881

Depreciation expense amounted to \$10,125 and \$9,576 for the years ended December 31, 2021 and 2020, respectively.

**6 - CONCENTRATIONS**

For the year ended December 31, 2021, one donor accounted for 14% of total support and revenues.

For the year ended December 31, 2020, two donors accounted for 62% and 10% of total support and revenues.



**CRISIS TEXT LINE, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**7 - IN-KIND CONTRIBUTIONS**

Contributions in-kind that are included in the financial statements consisted of the following:

Type of Service Received	Year Ended December 31,	
	2021	2020
	Value of Services	
Technology	\$ 27,101	\$ 75,000
Subscriptions	16,123	40,813
Other	1,000	-
Legal:		
Gibson, Dunn and Crutcher LLP	182,525	479,665
Walden Macht & Haran LLP	11,162	177,993
Davis and Gilbert LLP	2,870	-
Crowell and Morning LLP	-	6,184
Duane Morris LLP	-	640
Total legal	196,557	664,482
	\$ 240,781	\$ 780,295

**8 - COMMITMENTS AND CONTINGENCIES**

**Leases**

The Organization leases 11,000 sq. ft. of office space under a noncancelable operating lease set to expire on September 30, 2026. As of December 31, 2021, the minimum aggregate annual rental commitments are approximately as follows:

Year Ending December 31,	
2022	\$ 717,000
2023	739,000
2024	784,000
2025	805,000
2026	477,000
	\$ 3,522,000

**CRISIS TEXT LINE, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**8 - COMMITMENTS AND CONTINGENCIES (Continued)**

**Leases (Continued)**

In lieu of a security deposit for the office lease, the Organization was required to provide the landlord with a standby letter of credit for \$275,000. The initial letter of credit expired in 2022 and was replaced by a new letter of credit with JP Morgan Chase Bank, N.A. for the same amount with an expiration date of January 30, 2027. Total rent expense (excluding utilities) was \$706,555 and \$622,610 for the years ended December 31, 2021 and 2020, respectively.

**Litigation**

In the course of regular operations, the Organization is also subject to potential litigation matters, which management has deemed to be immaterial to the financial statements taken as a whole.

**9 - RETIREMENT PLAN**

The Organization established a defined contribution pension plan covering substantially all of its employees. Pension expenses under this plan was \$498,439 and \$295,872 for the years ended December 31, 2021 and 2020, respectively.

**CRISIS TEXT LINE, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**10 - NET ASSETS WITH DONOR RESTRICTIONS**

The following summarizes the changes in net assets with donor restrictions:

Program	Balance, January 1, 2021	Contributions	Released from Restrictions	Balance, December 31, 2021
Data	\$ 200,000	\$ -	\$ (200,000)	\$ -
Time restriction	3,979,200	668,000	(3,979,200)	668,000
Other	75,000	200,000	(75,000)	200,000
<b>Total</b>	<b>\$ 4,254,200</b>	<b>\$ 868,000</b>	<b>\$ (4,254,200)</b>	<b>\$ 868,000</b>

Program	Balance, January 1, 2020	Contributions	Released from Restrictions	Balance, December 31, 2020
Data	\$ 231,968	\$ -	\$ (31,968)	\$ 200,000
Time restriction	5,698,046	2,992,200	(4,711,046)	3,979,200
Other	75,000	-	-	75,000
<b>Total</b>	<b>\$ 6,005,014</b>	<b>\$ 2,992,200</b>	<b>\$ (4,743,014)</b>	<b>\$ 4,254,200</b>

**CRISIS TEXT LINE, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**11 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Organization's financial assets due within one year of the date of these financial statements that are available for general expenditures, including grant funded activities, are as follows:

	December 31,	
	2021	2020
Cash and cash equivalents	\$ 33,202,238	\$ 39,724,772
Certificates of deposit	275,347	275,312
Contributions receivable	2,235,471	5,231,760
Investments, at fair value	7,131,739	18,224,520
Accrued interest receivable	7,383	71,197
Total financial assets	42,852,178	63,527,561
Less - amounts due in one to five years	-	-
Total financial assets available within one year	\$ 42,852,178	\$ 63,527,561

The Organization's goal is to maintain liquidity to meet operational and strategic needs. Ongoing liquidity needs of the Organization are monitored to ensure that minimum cash-flow requirements are met.

**12 - RISKS AND UNCERTAINTY**

In December 2019, a novel strain of coronavirus ("COVID-19") surfaced. The spread of COVID-19 around the world in the first quarter of 2020 continues to cause significant volatility in U.S. and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies and, as such, the Organization is unable to determine if it will have a material impact to its future operations.