Teen Parent Connection, Inc.

Financial Statements

Years Ended June 30, 2020 and 2019

WIPFLI

Independent Auditor's Report

Board of Directors
Teen Parent Connection, Inc.
Glen Ellyn, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of Teen Parent Connection, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020, and the related statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Teen Parent Connection, Inc. as of June 30, 2020, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States.

Prior Period Financial Statements

The financial statements of Teen Parent Connection as of June 30, 2019, were audited by other auditors whose report dated November 20, 2019, expressed an unmodified opinion on those statements.

Other Matters

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2020, on our consideration of Teen Parent Connection's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Teen Parent Connection's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Teen Parent Connection's internal control over financial reporting and compliance.

Wipfli LLP

December 18, 2020

Aurora, Illinois

Teen Parent Connection, Inc.

Statements of Financial Position

As of June 30,	2020	2019
Assets		
Current assets:		
Cash and cash equivalents	$ 520,724	$ 304,177
Investments	674,271	761,237
Beneficial interest in trusts	74,998	77,819
Grants receivable	290,162	464,596
Prepaid expenses	15,209	10,737
Total current assets	1,575,364	1,618,566
Property and equipment:		
Land and land improvements	115,867	115,867
Building and building improvements	574,886	574,886
Furniture and equipment	85,086	85,086
Software	4,125	4,125
Total property and equipment	779,964	779,964
Less accumulated depreciation and amortization	(165,170)	(147,705)
Net property and equipment	614,794	632,259
Total assets	$ 2,190,158	$ 2,250,825
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	$ 5,128	$ 16,791
Accrued expenses	121,587	188,266
Deferred grant liability	143,761	-
Current portion of long-term debt	17,605	16,728
Total current liabilities	288,081	221,785
Long-term liabilities:		
Long-term debt, net of current portion	377,743	395,348
Total liabilities	665,824	617,133
Net assets:		
Without donor restrictions	1,383,455	1,402,592
With donor restrictions	140,879	231,100
Total net assets	1,524,334	1,633,692
Total liabilities and net assets	$ 2,190,158	$ 2,250,825

See accompanying notes to financial statements.

Teen Parent Connection, Inc.

Statements of Activities and Changes in Net Assets

Years Ended June 30,	2020 Without Donor Restrictions	2020 With Donor Restrictions	2020 Total	2019 Without Donor Restrictions	2019 With Donor Restrictions	2019 Total
Public support and other revenue:						
Grants from governmental agencies	$ 622,968	$ -	$ 622,968	$ 538,808	$ 20,000	$ 558,808
Foundation and corporate contributions	440,205	94,500	534,705	445,945	169,790	615,735
Community group contributions	40,542	1,500	42,042	43,525	500	44,025
Individual contributions	118,258	805	119,063	85,374	2,100	87,474
United Way	-	11,624	11,624	-	33,210	33,210
Special events						
Gross proceeds	50,931	-	50,931	84,257	-	84,257
Less direct expenses	(14,558)	-	(14,558)	(31,620)	-	(31,620)
Fees from schools	10,050	-	10,050	11,463	-	11,463
In-kind donations	45,179	-	45,179	100,362	-	100,362
Miscellaneous income	-	-	-	3,024	-	3,024
Net investment income	6,304	-	6,304	52,445	-	52,445
Net assets released from restrictions	198,650	(198,650)	-	260,575	(260,575)	-
Total support and revenue	1,518,529	(90,221)	1,428,308	1,594,158	(34,975)	1,559,183
Expenses:						
Program	1,330,809	-	1,330,809	1,396,698	-	1,396,698
Management and general	70,827	-	70,827	74,356	-	74,356
Fundraising	136,030	-	136,030	137,817	-	137,817
Total expenses	1,537,666	-	1,537,666	1,608,871	-	1,608,871
Change in net assets	(19,137)	(90,221)	(109,358)	(14,713)	(34,975)	(49,688)
Net assets at beginning of year	1,402,592	231,100	1,633,692	1,417,305	266,075	1,683,380
Net assets at end of year	$ 1,383,455	$ 140,879	$ 1,524,334	$ 1,402,592	$ 231,100	$ 1,633,692

See accompanying notes to financial statements.

Teen Parent Connection, Inc.

Statement of Functional Expenses

Year Ended June 30, 2020	Group Services	Prevention Education	Healthy Families DuPage	Doula Services	Pantry	Total Program Expenses	Management and General	Fundraising	Total
Salaries and wages	$ 115,986	$ 124,186	$ 302,641	$ 358,401	$ 24,832	$ 926,046	$ 57,147	$ 100,455	$1,083,648
Payroll taxes	9,202	8,161	23,294	27,687	1,865	70,209	4,818	7,604	82,631
Program consultants	1,435	3,325	45,013	1,438	-	51,211	-	-	51,211
Other consultants	1,392	1,698	2,739	4,565	274	10,668	388	4,784	15,840
Employee benefits	6,137	10,283	21,331	26,218	92	64,061	1,523	4,844	70,428
Food	843	245	587	1,029	61	2,765	593	279	3,637
Food (in-kind)	6,780	-	-	-	-	6,780	-	-	6,780
Operating supplies	1,473	1,184	12,169	15,554	741	31,121	886	859	32,866
Operating supplies (in-kind)	6,773	-	-	-	-	6,773	-	-	6,773
Insurance	2,598	3,167	5,112	7,958	511	19,346	724	2,005	22,075
Maintenance and utilities	3,098	3,777	6,095	9,650	650	23,270	977	3,265	27,512
Local transportation	1,944	2,985	8,643	7,567	70	21,209	3	132	21,344
Allowance and speaker stipend	-	4,337	-	-	-	4,337	-	-	4,337
Childcare	1,960	2,200	-	-	-	4,160	-	-	4,160
Scholarships	-	-	1,000	-	-	1,000	-	-	1,000
Building rental	-	-	-	-	1,469	1,469	-	-	1,469
Building rental (in-kind)	18,080	-	-	-	-	18,080	-	-	18,080
Equipment rental	719	877	1,415	2,203	142	5,356	200	534	6,090
Telephone	1,299	657	3,395	4,229	106	9,686	492	707	10,885
Subscriptions and reference material	53	371	3,746	312	10	4,492	1,108	1,590	7,190
Postage and shipping	208	158	334	487	26	1,213	45	515	1,773
Outside printing	137	-	25	109	-	271	-	1,599	1,870
Other expenses	805	819	982	1,651	228	4,485	161	2,195	6,841
Interest expense	2,308	2,813	4,540	7,069	454	17,184	643	1,714	19,541
Training	95	631	2,248	4,471	14	7,459	544	142	8,145
Pantry supplies (in-kind)	-	-	-	-	2,800	2,800	-	-	2,800
Bad debt expense	-	-	-	-	-	-	-	1,275	1,275
Special event expense	-	-	-	-	-	-	-	14,558	14,558
Total expenses before depreciation	183,325	171,874	445,309	480,598	34,345	1,315,451	70,252	149,056	1,534,759
Depreciation and amortization	2,062	2,514	4,058	6,318	406	15,358	575	1,532	17,465
Less: Direct benefit donor expenses	-	-	-	-	-	-	-	(14,558)	(14,558)
Total expenses	$ 185,387	$ 174,388	$ 449,367	$ 486,916	$ 34,751	$ 1,330,809	$ 70,827	$ 136,030	$1,537,666

See accompanying notes to financial statements.

Teen Parent Connection, Inc.

Statement of Functional Expenses

Year Ended June 30, 2019	Group Services	Prevention Education	Healthy Families DuPage	Doula Services	Total Program Expenses	Management and General	Fundraising	Total
Salaries and wages	$ 110,627	$ 142,621	$ 290,298	$ 335,908	$ 879,454	$ 55,376	$ 101,218	$ 1,036,048
Payroll taxes	8,902	10,392	23,648	27,582	70,524	5,570	8,209	84,303
Program consultants	1,067	12,675	41,215	-	54,957	-	-	54,957
Other consultants	2,340	1,544	3,575	5,497	12,956	574	1,089	14,619
Other consultants (in-kind)	8,200	-	-	-	8,200	-	-	8,200
Employee benefits	11,248	8,449	15,824	21,432	56,953	1,465	6,099	64,517
Food	1,192	238	1,307	1,087	3,824	665	569	5,058
Food (in-kind)	7,500	-	-	-	7,500	-	-	7,500
Operating supplies	5,578	4,447	20,300	28,008	58,333	1,632	1,004	60,969
Operating supplies (in-kind)	17,506	1,242	18,500	20,045	57,293	407	1,085	58,785
Insurance	3,338	2,203	5,098	7,840	18,479	714	2,029	21,222
Maintenance and utilities	4,672	3,095	8,314	10,975	27,056	836	4,386	32,278
Local transportation	2,676	4,202	9,131	12,037	28,046	243	16	28,305
Allowance and speaker stipend	-	440	-	-	440	-	-	440
Childcare	2,981	411	-	-	3,392	-	-	3,392
Childcare (in-kind)	461	-	-	-	461	-	-	461
Scholarships	-	750	-	-	750	-	-	750
Building rental	1,293	-	-	-	1,293	-	-	1,293
Building rental (in-kind)	25,416	-	-	-	25,416	-	-	25,416
Equipment rental	962	635	1,470	2,260	5,327	208	555	6,090
Telephone	1,340	577	3,632	4,845	10,394	1,002	879	12,275
Subscription and reference material	208	318	1,898	164	2,588	2,281	1,655	6,524
Postage and shipping	240	104	341	446	1,131	57	1,234	2,422
Outside printing	129	47	408	110	694	19	1,441	2,154
Other expenses	913	328	807	1,353	3,401	1,361	2,758	7,520
Interest expense	3,204	2,114	4,893	7,525	17,736	692	1,847	20,275
Training	420	14,248	2,837	5,844	23,349	600	-	23,949
Special event expenses	-	-	-	-	-	135	31,429	31,564
Total expenses before depreciation	222,413	211,080	453,496	492,958	1,379,947	73,837	167,502	1,621,286
Depreciation and amortization	3,026	1,997	4,621	7,107	16,751	654	1,744	19,149
Less: direct benefit donor expenses	-	-	-	-	-	(135)	(31,429)	(31,564)
Total expenses	$ 225,439	$ 213,077	$ 458,117	$ 500,065	$ 1,396,698	$ 74,356	$ 137,817	$ 1,608,871

See accompanying notes to financial statements.

Teen Parent Connection, Inc.

Statements of Cash Flows

Years Ended June 30,		2020		2019
Cash flows from operating activities:				
Change in net assets	$	(109,358)	$	(49,688)
Adjustments to reconcile change in net assets to net cash from operating activities:				
Depreciation and amortization		17,465		19,149
(Gain) loss on investments		8,871		(29,442)
Changes in operating assets and liabilities:				
Grants receivable		174,434		(134,541)
Prepaid expenses		(4,472)		348
Accounts payable		(11,663)		(20,515)
Accrued expenses		(66,679)		14,588
Deferred grant liability		143,761		-
Net cash from operating activities		152,359		(200,101)
Cash flows from investing activities				
Proceeds from sale of investments		130,000		-
Purchases of investments		(51,905)		(113,630)
Distribution from agency fund		2,821		3,300
Purchase of property and equipment		-		(28,420)
Net cash from investing activities		80,916		(138,750)
Cash flows from financing activities:				
Payments on mortgage payable		(16,728)		(15,994)
Change in cash		216,547		(354,845)
Cash and cash equivalents, beginning of year		304,177		659,022
Cash and cash equivalents, end of year	$	520,724	$	304,177
Non-cash transactions:				
Cash paid for interest	$	19,541	$	20,275

See accompanying notes to financial statements.

Note 1: Summary of Significant Accounting Policies

Nature of Operations

Teen Parent Connection, Inc. ("the Organization") is an organization which focuses on providing comprehensive programs and services related to teenage pregnancy and parenting. Teen Parent Connection, Inc., founded in 1985, is an Illinois not-for-profit corporation located in Glen Ellyn, Illinois. The mission of the Organization is to serve the community through education on the realities and responsibilities of teen pregnancy and through long-term assistance to adolescent parents for their development of self-esteem, parenting skills, and self sufficiency. The Organization services individuals in DuPage and areas of Kane, Will, and Cook counties. Substantially all grant and contract revenue is received from federal, state, and city agencies.

The following program and supporting services are included in the accompanying financial statements:

Group Services: Weekly group meetings allow adolescent parents to find commonality, strength and encouragement to help them meet the demands of parenthood. Childcare and meals are provided free of charge. Parent groups cover a variety of topics including child development, health, nutrition, immunizations, family planning, healthy relationships, depression education, and goal setting. Groups meet at sites located throughout DuPage County.

Prevention Education: This program is delivered by qualified Health and Peer Educators to middle, junior high, and high school students in health, child development, special education and English as a Second Language classes in the DuPage County community. In addition, Peer Prevention is presented to community groups including churches and clubs. During classroom presentation, Health Educators engage students in activities and educate in a nonjudgmental manner while focusing on prevention of pregnancy, sexually transmitted infections and HIV/AIDS. Peer Educators are trained to share a prevention-focused story of the health, social, emotional, and financial consequences they have personally experienced since becoming a teen parent.

Healthy Families DuPage: This program is a nationally recognized evidence-based home visitation model developed by Prevent Child Abuse America and has been proven to reduce the risk of child abuse and neglect. Intensive, individualized home visitation services provide parents information and education on stress management, problem solving, skills, family health, child development, and guidance.

Doula Services: The Doula Program offers pregnant teens the opportunity to receive home-based prenatal education and support services that promote a healthy pregnancy and prepare the young mother and her partner/support person for childbirth. The Doula provides information on prenatal care, identifying a medical home and creating a birth plan. The Doula also offers continuous physical and emotional support during the labor and delivery process. Doula services continue for eight weeks following the birth of the baby and include postpartum depression education and training, breastfeeding support, newborn care information, etc. Doula services also include childbirth education classes and prenatal groups. Eight-week sessions are held four times per year and cover physical and emotional stages of labor, interventions and complications in labor, breastfeeding, and basic newborn care.

Note 1: Summary of Significant Accounting Policies (Continued)

Nature of Operations (Continued)

Parents' Pantry: An incentive-based program in which participants earn "baby bucks" through program participation and by reaching set goals. This special currency can then be redeemed for diapers, wipes, formula, and other baby essentials. Parents' Pantry is reported in Group Services in the accompanying statements of functional expenses.

Basis of Accounting

The 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 ("GAAP").

Basis of Presentation

Financial statement presentation follows GAAP for financial statement presentation for not-for-profit organizations. Such principles provide that the Organization is required to report information regarding its financial position and activities according to two classes of net assets. A definition and description of each class follows:

> **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
>
> **Net Assets With Donor Restrictions** - Net assets subject to donor or certain grantor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reporting in the statement of activities as net assets released from restrictions.

The Organization has no net assets with donor restrictions that are perpetual in nature.

Use of Estimates

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

Note 1: Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

The Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Contribution Revenue

Contributions, including unconditional promises to give, are recognized as revenue when received. Conditional contributions and promises to give are recognized as revenue when the barriers to entitlement are overcome and either a right of return of assets transferred or a right of release of a promissor's obligation to transfer assets is removed. Assets received for which the condition has not been satisfied are recorded as a deferred grant liability.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, 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. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

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.

Grants receivable

Grants receivable consists primarily of amounts due from funding organizations for reimbursable expenses incurred in accordance with related agreements. The Organization considers grants receivable to be fully collectible and accordingly, no allowance of uncollectable accounts has been recorded.

Investments

Investments are carried at fair value (Note 7) and consist of various mutual funds. All interest, dividends, and realized and unrealized gains and losses are reported in the statement of activities as increases or decreases in net assets without donor restrictions. Investment fees, including direct internal investment expenses, if any, are netted with return on the statements of activities.

Note 1: Summary of Significant Accounting Policies (Continued)

Promises to Give

Unconditional promises to give are recorded as receivables in the year pledged. Conditional promises to give are recognized only when the conditions on which they depend are substantially met. Promises to give whose eventual uses are restricted by the donors are recorded as increases in net assets with donor restrictions. Unrestricted promises to give to be collected in future periods are also recorded as an increase to net assets with donor restrictions and reclassified to net assets without donor restrictions when received, unless the donor's intention is to support current-period activities.

Promises to give expected to be collected in less than one year are reported at net realizable value. Promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows on a discounted basis applicable to the years in which the promises were received. The amortization of the discount is recognized as contribution income over the duration of the pledge.

Management individually reviews all past due promises to give balances and estimates the portion, if any, of the balance that will not be collected. The carrying amounts of promises to give are reduced by allowances that reflect management's estimate of uncollectable amounts.

Property and Equipment

Property and equipment in excess of $1,000 and that have a useful life of greater than one year are capitalized at cost. Depreciation is provided over the estimated useful lives of the assets of 5 to 39 years under the straight-line method. When assets are retired or otherwise disposed of the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in the Statement of Activities. The Organization's donated assets are recorded at their fair market value on the date of donation.

Impairment of Long-Lived Assets

The Organization reviews long-lived assets, including property and equipment and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset and its fair value are less than the carrying amount of that asset. The Organization has not recognized any impairment of long lived assets during 2020 and 2019.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The Organization charges direct expenses directly to each category. Certain costs have been allocated among the program and supporting services benefited based on time and effort as estimated by management.

Note 1: Summary of Significant Accounting Policies (Continued)

Donated Services and Materials

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

A significant amount of donated services are contributed to the Organization by various members to support the Organization's program and supporting services. There volunteer activities include participation on the Board of Directors and numerous other committees. The value of these services has not been included in the financial statements as they do not meet the criteria for recognition under accounting principles generally accepted in the United States.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation on unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and have been classified as organizations that are not private foundations. The Organization is also exempt from Illinois income taxes.

Penalties and interest assessed by income taxing authorities are included in management and general expenses, if applicable. The Organization has no interest and penalties related to income taxes for the year ended June 30, 2020.

Change in Accounting Principles

In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update ASU No. 2018-08, Not-for-Profit Entities (Topic 958) - Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The amendments in ASU No. 2018-08 assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions and in determining whether a contribution transaction is conditional. The Organization adopted this guidance as of July 1, 2019, with no effect on its recognition of contributions received.

Note 1: Summary of Significant Accounting Policies (Continued)

New Accounting Pronouncement

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606). This ASU, as amended, provides comprehensive guidance on the recognition of revenue from customers arising from the transfer of goods and services, guidance on accounting for certain contract costs, and new disclosures. The new standard supersedes current revenue recognition requirements in FASB Accounting Standards Codification ("ASC") Topic 606, Revenue Recognition, and most industry-specific guidance. When adopted, the amendments in the ASU must be applied using one of two retrospective methods. ASU No. 2014-09 is effective for nonpublic entities for annual periods ending December 31, 2020. The Organization is currently evaluating the impact of the provisions of ASC 606.

Subsequent Events

The Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through December 18, 2020, which is the date the financial statements were available to be issued.

Note 2: Liquidity and Availability of Financial Resources

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Years Ended June 30,	2020	2019
Cash and cash equivalents	$ 520,724	$ 304,177
Investments	674,271	761,237
Grants receivable	290,162	464,596
Total financial assets	1,485,157	1,530,010
Donor restricted assets	(140,879)	(231,100)
Financial assets available to meet cash needs for general expenditures within one year	$ 1,344,278	$ 1,298,910

As part of the Organization's liquidity management plan, the Organization invests its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Organization invests cash in excess of daily requirements in short-term investments, CDs, and money market funds. Occasionally, the Board designates a portion of any operating surplus to its operating reserve. There was no such designation as of June 30, 2020.

Note 3: Concentration of Credit Risk

The Organization maintains bank accounts included in cash and cash equivalents and in investments in major banks in excess off the Federal Deposit Insurance Corporation's $250,000 limit. At times throughout the year bank balances exceeded FDIC insured limits. The Organization has not experienced any loss in these accounts. The Foundation believes it is not exposed to any significant credit risk on its cash balance.

Note 4: Concentration of Contributions or Grants

For the year ended June 30, 2020, approximately 54% of the Organization's revenue was earned under agreements from two funding sources. For the year ended June 30, 2020, the Organization recognized revenue of $780,251 from these funding sources. As of June 30, 2020, these two funding sources owed the Organization $270,188.

For the year ended June 30, 2019, approximately 52% of the Organization's revenue was earned under agreements from two funding sources. For the year ended June 30, 2019, the Organization recognized revenue of $805,130 from these funding sources. As of June 30, 2019, these two funding sources owed the Organization $361,287.

Note 5: Commitments and Contingencies

The Organization leases office equipment under an operating lease with monthly payments of $384 through July 2022. Lease expense under this agreement was $4,608 for each of the years ended June 30, 2020 and 2019.

Beginning in March 2020, the United States economy began suffering adverse effects from the Covid 19 virus crisis ("CV19 Crisis"). The COVID-19 crisis has resulted in unprecedented economic downturn, and the philanthropic landscape is becoming increasingly unpredictbale as the Organization's revenue sources deal with the impact to their funding capacity. As of the date of issuance of the financial statements, the future conomic impact of this public health crisis cannot be reasonably estimated at this time.

Note 6: Investment Income

Investment income consists of the following:

Years Ended June 30,		2020		2019
Interest and dividends	$	16,111	$	23,998
Unrealized gains (losses)		(18,414)		9,502
Realized gain		9,543		19,940
Less: investment fees		(936)		(995)
Net investment income	$	6,304	$	52,445

Note 7: Fair Value Measurements

The Organization's assets are reported at fair value, as defined by GAAP, to classify the source of the information measuring fair value.

Assets and liabilities carried at fair value are classified and disclosed in one of the following categories:

Level I - Quoted market prices in active markets for identical assets or liabilities.

Level II - Observable market-based inputs or unobservable inputs corroborated by market data.

Level III - Unobservable inputs not corroborated by market data.

The Organization did not have any nonfinancial assets recorded at fair value on a recurring basis at June 30, 2020 and 2019.

The following is a description of the valuation methodologies used for assets measured at fair value, on a recurring basis. There have been no changes to the methodologies used at June 30, 2020 and 2019.

Pooled Investment Account at DuPage Community Foundation - Valued at an unquoted value of investment pool as determined at a prorated portion of a larger investment group.

Note 7: Fair Value Measurements (Continued)

Fair value measurements recorded on a recurring basis at June 30, 2020 and 2019, are as follows:

	Fair Value Measurements Using			
As of June 30, 2020	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 674,271	$ -	$ -	$ 674,271
Pooled investment account at DuPage Community Foundation	-	74,998	-	74,998
Total	$ 674,271	$ 74,998	$ -	$ 749,269

	Fair Value Measurements Using			
As of June 30, 2019	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 761,237	$ -	$ -	$ 761,237
Pooled investment account at DuPage Community Foundation	-	77,819	-	77,819
Total	$ 761,237	$ 77,819	$ -	$ 839,056

Note 8: Beneficial Interest in Assets Held by DuPage Community Foundation

The Organization has an agreement with DuPage Community Foundation (DCF) whereby DCF manages the Organization's beneficial interest in an investment pool. Income earned on fund assets may be used to fund Organization activities. Annual distributions from the fund are determined by a twelve-quarter rolling average DCF spending policy based on September 30 fund balances.

Note 9: Revocable Split-Interest Agreement

The Organization is the beneficiary under a designated fund administered by the DuPage Community Foundation. The assets of the fund are not included in the Statements of Financial Position of the Organization because the fund is revocable at the discretion of the grantor. The Organization is entitled to an amount specified each year as determined by the DuPage Community Foundation. Net investment income from the fund was $2,821 and $3,300 for the years ended June 30, 2020 and 2019.

Note 10: Mortgage Note Payable

The Organization has a mortgage note payable with BMO Harris Bank due in monthly installments of $3,022 bearing an interest rate of 4.75% on the outstanding balance. The note is secured by the land and building associated with the mortgage and matures in December 2025 at which time a balloon payment of $289,219 is due. Future minimum payments are as follows:

Year Ended June 30,		Amount
2021	$	17,605
2022		18,472
2023		19,382
2024		20,292
2025		21,335
2025		298,262
Total	$	395,348

Note 11: Pension Plan

The Organization maintains a Simplified Employee Pension Plan (the Plan) for its eligible employees. The Organization may make discretionary contributions to the Plan. Contributions to the Plan from the Organization for the years ended June 30, 2020 and 2019, were $12,731 and $15,754, respectively.

Note 12: Compensated Absences

Employees of the Organization are entitled to paid time off depending on length of service. Employees are allowed to accumulate paid time off and, upon separation, are paid out any unused time off at a rate of the employees' current pay rate. Employees can carry over paid time off, subject to certain limitations in relation to time of service. Total accrued paid time off was $38,589 and $33,862 as of June 30, 2020 and 2019, respectively.

Note 13: Net Assets with Donor Restriction

Net assets with donor restriction, which have either purpose or time restrictions, consisted of the following:

As of June 30,		2020		2019
Purpose restricted:				
Family Strengthening	$	40,000	$	85,000
Healthy Families DuPage		-		29,625
Prevention Education		15,000		10,000
Pathways to Prevention		35,000		68,210
Scholarships		10,755		8,450
Parents Pantry		2,000		5,815
Project Specific		6,500		24,000
Database		20,000		-
Time Restricted - general operations for future periods		11,624		-
Total net assets with donor restrictions	$	140,879	$	231,100

Net assets are released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors. Net assets released from restrictions due to an event totaled $198,650 and $260,575, respectively, for the years ended June 30, 2020 and 2019.

Note 14: Refundable Advance Liability – Paycheck Protection Program

As a result of the economic uncertainty stemming from the impact of the COVID-19 pandemic, on July 1, 2020, the Organization received a Paycheck Protection Program (PPP) loan in the principal amount of $210,000 from the US Small Business Administration (SBA). The PPP loan has a stated interest rate of 1% per annum and requires equal monthly payments of principal commencing October 16, 2020 through the contractual maturity date of April 16, 2022.

Under the terms of the Paycheck Protection Program, a PPP loan provides for conditional forgiveness if the Organization utilizes the loan proceeds on admissible expenses, including qualifying payroll, rent, and utility expenses, and maintains employment and compensation levels for a specified period of time. Although the Organization believes the conditions for full forgiveness of the PPP loan will be met, ultimate forgiveness is conditioned upon the SBA concurring with the Organization’s good-faith assessment that the current economic uncertainty made the loan request necessary to support ongoing operations and the loan proceeds were used for admissible expenses. If the Organization is later determined to have violated the provisions of the Payroll Protection Program, the Organization may be required to repay the PPP loan in its entirety and/or be subject to additional penalties.

Note 14: Refundable Advance Liability – Paycheck Protection Program (Continued)

The Organization has elected to account for its PPP loan as a conditional contribution in accordance with Subtopic 958-605. Under Subtopic 958-605, the PPP loan proceeds are initially recorded as a deferred grant liability and subsequently recognized as grant revenue when the Organization has substantially met all conditions for forgiveness. While formal forgiveness has not yet been obtained, the Organization met substantially all the conditions for forgiveness of the loan and recorded grant revenue of $62,239 during the year ended June 30, 2020. The loan program's expenditures and the Organization's eligibility are subject to review and acceptance by the SBA and, as a result of such review, adjustments could be required.

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors
Teen Parent Connection, Inc.
Glen Ellyn, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Teen Parent Connection, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020 and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 18, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Teen Parent Connection, Inc.'s internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Teen Parent Connection, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Teen Parent Connection, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Teen Parent Connection, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

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However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of Teen Parent Connection, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Teen Parent Connection, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wipfli LLP

Aurora, Illinois

December 18, 2020