TEEN PARENT CONNECTION, INC.

Audited Financial Statements

For the Years Ended
June 30, 2016 and 2015

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INDEPENDENT AUDITORS' REPORT

Teen Parent Connection, Inc.
Glen Ellyn, Illinois

We have audited the accompanying financial statements of the Teen Parent Connection, Inc., (an Illinois not-for-profit corporation), which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' 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 of America 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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit 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, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary Schedules of Functional Revenues and Expenses are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedules of Functional Revenues and Expenses are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2016, on our consideration of Teen Parent Connection, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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, Inc.'s internal control over financial reporting and compliance.

Mathieson, Moyski, Austin & Co. LLP

Wheaton, IL
October 21, 2016

TEEN PARENT CONNECTION, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2016 AND 2015

ASSETS

	2016	2015
CURRENT ASSETS:		
Cash and cash equivalents	$ 105,423	$ 294,897
Investments	572,418	619,285
Beneficial interest in investment pool	71,018	75,815
Grants receivable	511,619	142,244
Prepaid expenses	7,853	10,484
TOTAL CURRENT ASSETS	1,268,331	1,142,725
PROPERTY AND EQUIPMENT:		
Land	75,000	-
Building	547,991	-
Furniture and equipment	85,086	85,086
Software	4,125	4,125
Less: accumulated depreciation	(96,186)	(87,939)
PROPERTY AND EQUIPMENT, NET	616,016	1,272
OTHER ASSETS:		
Security deposit	-	5,000
TOTAL ASSETS	$ 1,884,347	$ 1,148,997

LIABILITIES AND NET ASSETS

	2016	2015
CURRENT LIABILITIES:		
Accounts payable	$ 2,284	$ 1,373
Accrued expenses	77,931	50,031
Current portion long-term debt	14,528	-
TOTAL CURRENT LIABILITIES	94,743	51,404
LONG-TERM LIABILITIES:		
Mortgage note payable	457,961	-
Less: current portion	(14,528)	-
TOTAL LONG-TERM LIABILITIES	443,433	-
TOTAL LIABILITIES	538,176	51,404
NET ASSETS:		
Unrestricted	1,203,706	1,007,843
Temporarily restricted	142,465	89,750
TOTAL NET ASSETS	1,346,171	1,097,593
TOTAL LIABILITIES AND NET ASSETS	$ 1,884,347	$ 1,148,997

The accompanying notes are an integral part of this statement.

TEEN PARENT CONNECTION, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	2016				2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES AND OTHER SUPPORT:								
Grants from governmental agencies	$ 517,521	$ 17,500	$ -	$ 535,021	$ 535,400	$ 20,000	$ -	$ 555,400
Foundation and corporate contributions	299,387	79,900	-	379,287	305,139	29,000	-	334,139
Community group contributions	33,410	-	-	33,410	35,795	-	-	35,795
Individual contributions	123,028	565	-	123,593	83,249	250	-	83,499
United Way	-	40,500	-	40,500	50,000	40,500	-	90,500
Spring fundraiser	53,049	-	-	53,049	52,745	-	-	52,745
Fall fundraiser	31,915	-	-	31,915	23,690	-	-	23,690
Fees from schools	11,625	-	-	11,625	9,875	-	-	9,875
In-kind donations	111,499	-	-	111,499	101,440	-	-	101,440
Miscallaneous income	2,087	-	-	2,087	1,095	-	-	1,095
Interest and dividend income	13,333	-	-	13,333	12,531	-	-	12,531
Realized gain on investments	1,611	-	-	1,611	3,431	-	-	3,431
Unrealized gain (loss) on investments	(13,207)	-		(13,207)	11,268	-	-	11,268
Assets released from restriction	85,750	(85,750)	-	-	61,250	(61,250)	-	-
TOTAL REVENUES AND OTHER SUPPORT	1,271,008	52,715	-	1,323,723	1,286,908	28,500	-	1,315,408
EXPENSES:								
Programs:								
Group services	190,906	-	-	190,906	225,017	-	-	225,017
Prevention programs	106,020	-	-	106,020	117,967	-	-	117,967
Healthy Families DuPage	425,202	-	-	425,202	493,300	-	-	493,300
Doula	176,336	-	-	176,336	176,306	-	-	176,306
Subtotal - program expenses	898,464	-	-	898,464	1,012,590	-	-	1,012,590
Supporting services:								
General and administrative	54,262	-	-	54,262	49,993	-	-	49,993
Fundraising	122,419	-	-	122,419	141,999	-	-	141,999
Subtotal - supporting services	176,681	-	-	176,681	191,992	-	-	191,992
TOTAL EXPENSES	1,075,145	-	-	1,075,145	1,204,582	-	-	1,204,582
INCREASE IN NET ASSETS	195,863	52,715	-	248,578	82,326	28,500	-	110,826
NET ASSETS - BEGINNING OF YEAR	1,007,843	89,750	-	1,097,593	898,442	61,250	27,075	986,767
Reclassification of Agency Fund	-	-	-	-	27,075	-	(27,075)	-
NET ASSETS - END OF YEAR	$ 1,203,706	$ 142,465	$ -	$ 1,346,171	$ 1,007,843	$ 89,750	$ -	$ 1,097,593

The accompanying notes are an integral part of this statement.

TEEN PARENT CONNECTION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 248,578	$ 110,826
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	8,247	904
Net investment income	(13,333)	(11,411)
Realized gain on investments	(1,611)	(3,431)
Unrealized (gain) loss on investments	13,207	(11,268)
Changes in assets and liabilities:		
Unconditional promises to give	-	15,000
Grants receivable	(369,375)	(69,427)
Prepaid expenses	2,631	6,183
Security deposit	5,000	(5,000)
Accounts payable	911	(8,246)
Accrued expenses	27,900	(3,893)
Refundable advances	-	(6,250)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(77,845)	13,987
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of building and land	(622,991)	-
Distribution from Agency Fund	3,401	3,389
Proceeds from sale of investments	50,000	15,000
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(569,590)	18,389
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from mortgage note payable	465,000	-
Payments on mortgage note payable	(7,039)	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	457,961	-
NET INCREASE (DECREASE) IN CASH	(189,474)	32,376
CASH - BEGINNING OF YEAR	294,897	262,521
CASH - END OF YEAR	$ 105,423	$ 294,897

The accompanying notes are an integral part of this statement.

TEEN PARENT CONNECTION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2016

	Group Services	Prevention Programs	Healthy Families DuPage	Doula	Management and General	Fundraising	2016 Totals
Salaries and wages	$ 83,052	$ 68,668	$ 280,056	$ 105,963	$ 40,984	$ 52,673	$ 631,396
Payroll taxes	5,965	6,252	23,966	8,887	1,916	5,328	52,314
Program consultants	2,660	5,747	9,050	-	1,650	-	19,107
Other consultants	1,615	1,651	6,358	2,388	575	6,493	19,080
Employee benefits	5,749	5,339	12,553	7,970	621	4,726	36,958
Food	451	149	555	211	199	186	1,751
Operating supplies	1,002	788	3,019	5,062	1,811	1,152	12,834
Insurance	1,916	2,010	7,691	2,857	616	1,786	16,876
Maintenance and utilities	2,545	2,605	10,256	4,280	850	3,692	24,228
Local transportation	1,967	3,117	12,742	4,215	43	407	22,491
Allowance and speaker stipend	-	942	-	-	-	-	942
Childcare	5,620	852	-	-	-	-	6,472
Building rent	2,953	3,184	12,680	4,536	978	2,769	27,100
Equipment rental	731	767	2,933	1,090	236	908	6,665
Telephone	1,301	555	7,524	3,103	1,114	1,381	14,978
Subscriptions and reference material	53	302	4,130	81	541	842	5,949
Postage and shipping	241	175	743	323	82	709	2,273
Outside printing	148	145	532	216	-	1,842	2,883
Other expenses	414	362	1,221	510	47	1,645	4,199
In-kind expenses	70,330	-	20,584	20,585	-	-	111,499
Interest expense	1,266	1,328	5,078	1,887	407	1,130	11,096
Training	55	173	5	878	727	-	1,838
Spring and special event	-	-	-	-	-	25,458	25,458
Fall event	-	-	-	-	-	8,511	8,511
Subtotal before depreciation	190,034	105,111	421,676	175,042	53,397	121,638	1,066,898
Depreciation and amortization	872	909	3,526	1,294	865	781	8,247
Total	$ 190,906	$ 106,020	$ 425,202	$ 176,336	$ 54,262	$ 122,419	$ 1,075,145

The accompanying notes are an integral part of this statement.

TEEN PARENT CONNECTION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015

	Group Services	Prevention Programs	Healthy Families DuPage	Doula	Management & General	Fundraising	2015 Totals
Salaries and wages	$ 91,920	$ 76,160	$ 320,655	$ 119,441	$ 37,046	$ 79,438	$ 724,660
Payroll taxes	7,695	6,641	28,985	9,568	2,055	6,343	61,287
Program consultants	3,320	5,273	21,864	-	-	500	30,957
Other consultants	2,028	1,548	7,202	2,395	481	1,988	15,642
Employee benefits	4,598	5,737	13,509	7,646	713	2,907	35,110
Food	1,710	231	1,968	450	689	210	5,258
Operating supplies	1,516	536	2,961	1,034	731	687	7,465
Insurance	2,912	2,515	10,986	3,622	782	2,481	23,298
Maintenance and utilities	2,638	2,277	10,046	3,281	817	3,514	22,573
Local transportation	3,176	3,322	14,444	5,235	625	426	27,228
Allowance and speaker stipend	-	1,724	-	-	-	-	1,724
Childcare	5,100	1,642	-	-	-	-	6,742
Building rent	7,711	6,660	29,093	9,592	2,071	6,373	61,500
Equipment rental	815	703	3,073	1,013	219	673	6,496
Telephone	1,298	540	7,737	2,796	1,080	1,016	14,467
Subscriptions and reference material	90	193	7,645	100	540	1,589	10,157
Postage and shipping	322	241	1,087	339	45	1,146	3,180
Outside printing	475	459	1,729	595	93	1,500	4,851
Other expenses	651	414	1,533	527	1,144	1,604	5,873
In-kind expenses	86,561	-	7,380	7,397	-	102	101,440
Training	237	1,053	975	1,134	833	153	4,385
Pantry supplies	130	-	-	-	-	-	130
Spring and special event	-	-	-	-	-	21,932	21,932
Fall event	-	-	-	-	-	7,323	7,323
Subtotal before depreciation	224,903	117,869	492,872	176,165	49,964	141,905	1,203,678
Depreciation and amortization	114	98	428	141	29	94	904
Total	$ 225,017	$ 117,967	$ 493,300	$ 176,306	$ 49,993	$ 141,999	$ 1,204,582

The accompanying notes are an integral part of this statement.

NOTE 1 - NATURE OF ACTIVITIES:

The Teen Parent Connection, Inc. (the Organization) is an Illinois nonprofit corporation organized in 1985. 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 provides comprehensive programs and services related to teenage pregnancy and parenting to individuals in DuPage and areas of Kane, Will and Cook counties. The Organization receives a substantial part of its grant and contract revenue from federal, state and city agencies.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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 Organization reports its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, depending on the existence or nature of any donor restrictions.

Unrestricted net assets include resources not subject to donor-imposed restrictions plus those resources for which donor-imposed restrictions have been satisfied. Contributions are reported as increases in the appropriate category of net assets. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or by law.

Temporarily restricted net assets are subject to donor-imposed restrictions related to specific purpose or in a particular future period. Satisfaction of temporarily restricted net assets (i.e., when the donor-stipulated purpose has been fulfilled or the stipulated time period has elapsed) is reported as a reclassification from temporarily restricted net assets to unrestricted net assets.

Permanently restricted net assets are subject to donor-imposed restrictions that will never lapse, thus requiring that the funds be retained permanently.

NOTE 2 - SUMMARY OF SIGNIFCANT 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.

Investments

Investments are reported at fair value. Fair values are generally based upon quoted market prices or appraised value. Realized and unrealized gains or losses are reflected in the Statement of Activities. Investment income and gains and losses on investments are reported as increases or decreases in unrestricted net assets unless a donor or law temporarily or permanently restricts their use.

Promises to Give

Unconditional promises to give are recognized as revenue or gains in the period the promise is received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promise becomes unconditional.

Allowance for Doubtful Accounts

The Organization considers contributions and grants receivable to be fully collectible and, accordingly, utilizes the direct write-off method to record bad debts. Based on historical collection activity, no allowance is deemed necessary and has not been recorded in these financial statements.

Property and Equipment

Property and equipment in excess of $1,000 with a useful life greater than one year are capitalized at cost and depreciated using the straight-line method over the estimated useful lives of the assets ranging from three to thirty-nine years. 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.

NOTE 2 - SUMMARY OF SIGNIFCANT ACCOUNTING POLICIES (continued):

Public Support and Revenue

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restriction. Donor restricted contributions whose restrictions are met in the same reporting periods are reported as unrestricted support. The Organization receives a substantial part of its grant and contract revenue from federal, state and city agencies. The Organization recognizes contract revenue up to the contract ceiling either on a pro-rata basis over the contract service period or to the extent of expense, depending on the contract.

Certain funding sources may request reimbursement for expenses or return of funds, or both, as a result of non-compliance by the Organization with the terms of the grants/contracts.

Functional Allocation of Expenses

The costs for providing the various programs and other activities have been summarized on a functional basis in the Statements of Activities and Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services based on management's monitoring of time and expenses.

Tax Status

The Organization is exempt from federal and state income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code; therefore, no provision for income taxes has been made in these financial statements. However, any income from certain activities not directly related to the Organization's tax exempt purpose would be subject to taxation as unrelated business income.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - SUMMARY OF SIGNIFCANT 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 or 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. These 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 Standards Codification (ASC), *Accounting for Contributions Received and Contributions Made.*

NOTE 3 – DESCRIPTION OF PROGRAM AND SUPPORTING SERVICES:

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.

NOTE 3 – DESCRIPTION OF PROGRAM AND SUPPORTING SERVICES (continued):

Healthy Families: 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.

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.

NOTE 4 – INVESTMENTS:

The Organization's investments are adjusted monthly based on income from interest and dividends and market fluctuations. The investments are managed by professional advisors, subject to the Organization's investment policy. The degree and concentration of credit risk varies by type of investment.

A summary of return on investment consists of the following for the years ended June 30, 2016 and 2015:

	2016	2015
Interest and dividends, net of investment fees	$ 13,333	$ 11,411
Net realized gain	1,611	3,431
Net unrealized gain (loss)	(13,207)	11,268
Net investment income for the year	$ 1,737	$ 26,110

NOTE 5 - FAIR VALUE MEASUREMENTS:

Accounting principles generally accepted in the United States of America establish 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 one measurements) and the lowest priority to unobservable inputs (level three measurements). The three levels of the fair value hierarchy are described below:

Level One – 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 Two – 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;
- Inputs that are derived principally from or corroborated by observable market data by correlation or by other means.

Level Three – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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, 2016 and 2015.

Mutual Funds – Valued at the net asset value (NAV) of shares held at year-end.

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 5 - FAIR VALUE MEASUREMENTS (continued):

Fair value of assets measured on a recurring basis at June 30, 2016 are as follows:

	Level 1	Level 2	Level 3	Total Carrying Amount
Mutual Funds				
Bond funds	$ 123,624	$ -	$ -	$ 123,624
Domestic stock funds	389,098	-	-	389,098
International stock funds	59,696	-	-	59,696
Pooled investment account at DuPage Community Foundation	-	71,018	-	71,018
Total investments	$ 572,418	$ 71,018	$ -	$ 643,436

Fair value of assets measured on a recurring basis at June 30, 2015 are as follows:

	Level 1	Level 2	Level 3	Total Carrying Amount
Mutual Funds:				
Bond funds	$ 167,641	$ -	$ -	$ 167,641
Domestic stock funds	385,967	-	-	385,967
International stock funds	65,677	-	-	65,677
Pooled investment account at DuPage Community Foundation	-	75,815	-	75,815
Total investments	$ 619,285	$ 75,815	$ -	$ 695,100

NOTE 5 - FAIR VALUE MEASUREMENTS (continued):

The following table sets forth a summary of changes in the fair value of the Level 2 assets for the years ended June 30, 2016 and 2015:

	2016	2015
Balance, beginning of the year	$ 75,815	$ 78,802
Interest and dividends	1,539	1,500
Realized and unrealized losses	(2,019)	(99)
Disbursements	(3,402)	(3,389)
Investment fees	(915)	(999)
Balance, end of year	$ 71,018	$ 75,815

NOTE 6 – BENEFICIAL INTEREST IN ASSETS HELD BY DUPAGE COMMUNITY FOUNDATION:

The Organization has an agreement with the 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. Total funds held by DCF under the agreement were $71,018 and $75,815 valued at the fair value of the underlying investments as of June 30, 2016 and 2015, respectively.

NOTE 7 – 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 (loss) from the fund was $(1,629) and $1,153 for the years ended June 30, 2016 and 2015, respectively.

NOTE 8 – RESTRICTIONS ON NET ASSETS:

Temporarily Restricted - The Organization has temporarily restricted net assets to support the following programs:

	For the year ending June 30,	
	2016	2015
Family Strengthening	$ 105,500	$ 45,000
Healthy Families DuPage	-	28,350
Prevention Programs	17,400	12,150
Doula	15,000	-
Development and Fundraising	4,565	4,250
Total temporarily restricted net assets	$ 142,465	$ 89,750

During the years ended June 30, 2016 and 2015, $85,750 and $61,250 of temporarily restricted net assets were released from restriction respectively as time passed or as the Organization incurred expenses, satisfying the restricted purpose designated by the donor.

NOTE 9 - RETIREMENT PLANS:

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, 2016 and 2015 were $8,720 and $10,403, respectively.

NOTE 10 – COMMITMENTS AND CONTINGENCIES:

Operating Leases

Facilities — The Organization leased its office space under a non-cancelable operating lease. The lease expired September 2015, at which time the Organization began leasing the space from month to month. Rent expense for office space was $27,100 and $61,500 for the years ended June 30, 2016 and 2015, respectively. The Organization purchased the building in December 2015.

Equipment — The Organization leases office equipment under an operating lease that expires September 2017. Lease expense for office equipment was $4,881 and $4,967 for the years ended June 30, 2016 and 2015, respectively.

NOTE 10 – COMMITMENTS AND CONTINGENCIES (continued):

Future minimum lease payments for these obligations at June 30, 2016 are as follows:

For the year ending June 30,	Equipment
2017	$ 4,500
2018	1,125
	$ 5,625

Federal and State Grants

The Organization receives significant financial assistance from several federal, state, and local government agencies in the form of grants. Program revenue in excess of program expenses is typically subject to recapture under various provisions. Additionally, the disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability to the Organization. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this time.

NOTE 11 - 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 aggregated $21,798 and $22,738 as of June 30, 2016 and 2015, respectively.

NOTE 12 – 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. The outstanding balance on the mortgage note payable is $457,961 as of June 30, 2016. The Organization did not have the mortgage note payable as of June 30, 2015.

NOTE 12 – MORTGAGE NOTE PAYABLE (continued):

The following is a summary of future minimum payments on long-term debt at June 30, 2016:

For the year ending June 30,	Amount
2017	$ 14,528
2018	15,244
2019	15,994
2020	16,728
2021	17,605
Thereafter	377,862
Total	$ 457,961

NOTE 13 - CONCENTRATION OF CREDIT RISK:

The Organization maintains one bank account at one banking institution which is insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. The Organization did not exceed federally insured limits as of June 30, 2016 and 2015, respectively.

Approximately 84% and 86% of the Organization's grants receivable is derived from support from two organizations and five organizations for the years ended June 30, 2016 and 2015, respectively.

Approximately 32% and 33% of the Organization's revenue is derived from support from one organization for the years ended June 30, 2016 and 2015, respectively.

NOTE 14 - SUBSEQUENT EVENTS:

Subsequent events were evaluated through October 21, 2016, which is the date the financial statements were available to be issued.

As of October 21, 2016, the Organization had no subsequent events that were material to the financial statements.

SUPPLEMENTARY INFORMATION

TEEN PARENT CONNECTION, INC.
SCHEDULE OF FUNCTIONAL REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2016
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2015)

	Group Services	Prevention Programs	Healthy Families DuPage	Doula	Management and General	Fundraising	2016 Totals	2015 Totals
REVENUES AND OTHER SUPPORT:								
Grants from governmental agencies	$ 103,700	$ 57,650	$ 373,671	$ -	$ -	$ -	$ 535,021	$ 555,400
Foundation and corporate contributions	39,530	80,885	110,250	139,711	1,911	7,000	379,287	334,139
Community group contributions	281	1,590	16,000	-	14,674	865	33,410	35,795
Individual contributions	-	25,080	60	-	97,527	926	123,593	83,499
United Way	-	-	40,500	-	-	-	40,500	90,500
Spring fundraiser	-	-	-	-	4,975	48,074	53,049	52,745
Fall fundraiser	-	-	500	-	890	30,525	31,915	23,690
Fees from schools	-	11,625	-	-	-	-	11,625	9,875
In-kind donations	70,330	-	20,584	20,585	-	-	111,499	101,440
Miscallaneous income	-	-	-	-	2,087	-	2,087	1,095
Interest and dividend income	-	-	-	-	13,333	-	13,333	12,531
Realized gain on investments	-	-	-	-	1,611	-	1,611	3,431
Unrealized gain (loss) on investments	-	-	-	-	(13,207)	-	(13,207)	11,268
TOTAL REVENUES AND OTHER SUPPORT	$ 213,841	$ 176,830	$ 561,565	$ 160,296	$ 123,801	$ 87,390	$ 1,323,723	$ 1,315,408

TEEN PARENT CONNECTION, INC.
SCHEDULE OF FUNCTIONAL REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2016
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2015)

	Group Services	Prevention Programs	Healthy Families DuPage	Doula	Management and General	Fundraising	2016 Totals	2015 Totals
EXPENSES:								
Salaries and wages	$ 83,052	$ 68,668	$ 280,056	$ 105,963	$ 40,984	$ 52,673	$ 631,396	$ 724,660
Payroll taxes	5,965	6,252	23,966	8,887	1,916	5,328	52,314	61,287
Program consultants	2,660	5,747	9,050	-	1,650	-	19,107	30,957
Other consultants	1,615	1,651	6,358	2,388	575	6,493	19,080	15,642
Employee benefits	5,749	5,339	12,553	7,970	621	4,726	36,958	35,110
Food	451	149	555	211	199	186	1,751	5,258
Operating supplies	1,002	788	3,019	5,062	1,811	1,152	12,834	7,465
Insurance	1,916	2,010	7,691	2,857	616	1,786	16,876	23,298
Maintenance and utilities	2,545	2,605	10,256	4,280	850	3,692	24,228	22,573
Local transportation	1,967	3,117	12,742	4,215	43	407	22,491	27,228
Allowance and speaker stipend	-	942	-	-	-	-	942	1,724
Childcare	5,620	852	-	-	-	-	6,472	6,742
Building rent	2,953	3,184	12,680	4,536	978	2,769	27,100	61,500
Equipment rental	731	767	2,933	1,090	236	908	6,665	6,496
Telephone	1,301	555	7,524	3,103	1,114	1,381	14,978	14,467
Subscriptions and reference material	53	302	4,130	81	541	842	5,949	10,157
Postage and shipping	241	175	743	323	82	709	2,273	3,180
Outside printing	148	145	532	216	-	1,842	2,883	4,851
Other expenses	414	362	1,221	510	47	1,645	4,199	5,873
In-kind expenses	70,330	-	20,584	20,585	-	-	111,499	101,440
Interest expense	1,266	1,328	5,078	1,887	407	1,130	11,096	-
Training	55	173	5	878	727	-	1,838	4,385
Pantry supplies	-	-	-	-	-	-	-	130
Spring and special event	-	-	-	-	-	25,458	25,458	21,932
Fall event	-	-	-	-	-	8,511	8,511	7,323
Subtotal before depreciation	190,034	105,111	421,676	175,042	53,397	121,638	1,066,898	1,203,678
Depreciation and amortization	872	909	3,526	1,294	865	781	8,247	904
TOTAL EXPENSES	190,906	106,020	425,202	176,336	54,262	122,419	1,075,145	1,204,582
INCREASE (DECREASE) IN NET ASSETS	$ 22,935	$ 70,810	$ 136,363	$ (16,040)	$ 69,539	$ (35,029)	$ 248,578	$ 110,826