

TEEN PARENT CONNECTION, INC.

**FINANCIAL STATEMENTS
AS OF JUNE 30, 2025 AND 2024**

TOGETHER WITH AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Teen Parent Connection, Inc.

Opinion

We have audited the accompanying financial statements of Teen Parent Connection, Inc. (the Organization) which comprise the statements of financial position as of June 30, 2025, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended, in conformity 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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.

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

Independent Auditor's Report
To the Board of Directors of
Teen Parent Connection, Inc.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 judgement, there are conditions or events, considered in the aggregate, which raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Independent Auditor's Report
To the Board of Directors of
Teen Parent Connection, Inc.

Supplementary Information

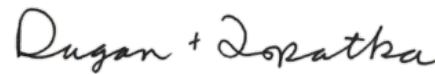
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The “Consolidated Year End Financial Report” for the State of Illinois fiscal year ended June 30, 2025, is presented for purposes of additional analysis, as required by the Illinois Department of Human Services, and is not a required part of the basic 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, 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. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2025, on our consideration of the Organization’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 the Organization’s internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited the Organization’s 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 3, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.


DUGAN & LOPATKA

Warrenville, Illinois
November 24, 2025

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*

To the Board of Directors of
Teen Parent Connection, Inc.

We have audited, 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, the financial statements of Teen Parent Connection, Inc. (the Organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 24, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing 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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 a 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 or significant deficiencies may exist that have not been identified.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 financial statement amounts. 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 the Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


DUGAN & LOPATKA

Warrenville, Illinois
November 24, 2025

TEEN PARENT CONNECTION, INC
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

A S S E T S

	2025	2024
CURRENT ASSETS:		
Cash and cash equivalents	\$ 676,735	\$ 327,986
Grants receivable	175,355	197,929
Promises to give, current	256,741	397,518
Investments	1,544,355	1,360,980
Beneficial interest in investment pool	88,210	85,549
Prepaid expenses and other current assets	53,220	30,809
 Total current assets	 2,794,616	 2,400,771
 PROPERTY AND EQUIPMENT:		
Land and land improvements	118,697	118,697
Buildings and building improvements	643,377	643,377
Furniture and equipment	3,400	88,486
Software	12,500	16,625
	777,974	867,185
Less: accumulated depreciation and amortization	(177,673)	(243,248)
 Net property and equipment	 600,301	 623,937
 Total assets	 \$ 3,394,917	 \$ 3,024,708

LIABILITIES AND NET ASSETS

	<u>2025</u>	<u>2024</u>
CURRENT LIABILITIES:		
Accounts payable	\$ 80,046	\$ 71,330
Accrued expenses	180,115	78,834
Notes payable, current portion	<u>147,558</u>	<u>28,299</u>
Total current liabilities	<u>407,719</u>	<u>178,463</u>
LONG TERM LIABILITIES:		
Notes payable, net of current portion	<u>-</u>	<u>149,989</u>
Total liabilities	<u>407,719</u>	<u>328,452</u>
NET ASSETS:		
Without donor restrictions -		
Undesignated	2,275,218	1,933,245
Board designated	<u>400,000</u>	<u>400,000</u>
Total without donor restrictions	<u>2,675,218</u>	<u>2,333,245</u>
With donor restrictions	<u>311,980</u>	<u>363,011</u>
Total net assets	<u>2,987,198</u>	<u>2,696,256</u>
Total liabilities and net assets	<u>\$ 3,394,917</u>	<u>\$ 3,024,708</u>

TEEN PARENT CONNECTION, INC
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Grants from governmental agencies	\$ 974,558	\$ -	\$ 974,558	\$ 652,226	\$ -	\$ 652,226
Contributions - Foundation and corporate	733,877	120,000	853,877	752,228	203,011	955,239
- Community group	35,427	-	35,427	40,350	10,000	50,350
- Individual	102,677	-	102,677	98,711	-	98,711
- Capital campaign	-	1,500	1,500	-	-	-
United Way	25,000	-	25,000	25,000	-	25,000
Special events -						
Gross proceeds	60,240	-	60,240	60,781	-	60,781
Less: Direct expenses	(18,498)	-	(18,498)	(21,390)	-	(21,390)
Fees from schools	6,644	-	6,644	6,619	-	6,619
In-kind contributions	20,121	-	20,121	13,407	-	13,407
Investment income	195,411	-	195,411	216,476	-	216,476
Miscellaneous income	22,295	-	22,295	24,762	-	24,762
Net assets released from restrictions	172,531	(172,531)	-	229,600	(229,600)	-
Total support and revenue	2,330,283	(51,031)	2,279,252	2,098,770	(16,589)	2,082,181
FUNCTIONAL EXPENSES:						
Program services	1,852,158	-	1,852,158	1,606,370	-	1,606,370
Management and general	30,403	-	30,403	91,085	-	91,085
Fundraising	105,749	-	105,749	45,020	-	45,020
Total functional expenses	1,988,310	-	1,988,310	1,742,475	-	1,742,475
CHANGE IN NET ASSETS	341,973	(51,031)	290,942	356,295	(16,589)	339,706
NET ASSETS, Beginning of year	2,333,245	363,011	2,696,256	1,976,950	379,600	2,356,550
NET ASSETS, End of year	\$ 2,675,218	\$ 311,980	\$ 2,987,198	\$ 2,333,245	\$ 363,011	\$ 2,696,256

The accompanying notes are an integral part of this statement.

TEEN PARENT CONNECTION, INC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 290,942	\$ 339,706
Adjustments to reconcile change in total net assets to net cash provided by operating activities -		
Depreciation	23,636	21,035
(Gain) on investments	(164,154)	(183,945)
Change in beneficial interest in investment pool	(2,661)	(2,957)
Change in assets and liabilities -		
(Increase) decrease in grant receivables	22,574	(111,866)
(Increase) decrease in promises to give	140,777	(49,426)
(Increase) in prepaid expenses and other current assets	(22,411)	(10,063)
Increase in accounts payable	8,716	47,707
Increase (decrease) in accrued expenses	101,281	(6,716)
Total adjustments	<u>107,758</u>	<u>(296,231)</u>
Net cash provided by operating activities	<u>398,700</u>	<u>43,475</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(19,221)	(19,773)
Purchase of property and equipment	-	(26,814)
Net cash (used in) investing activities	<u>(19,221)</u>	<u>(46,587)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on mortgage payable	(30,730)	(58,832)
NET CHANGE IN CASH AND CASH EQUIVALENTS	348,749	(61,944)
CASH AND CASH EQUIVALENTS, Beginning of year	<u>327,986</u>	<u>389,930</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 676,735</u>	<u>\$ 327,986</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid in interest	<u>\$ 7,856</u>	<u>\$ 10,414</u>

The accompanying notes are an integral part of this statement.

TEEN PARENT CONNECTION, INC
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025
(with comparative totals for 2024)

	Program Services			Management and General	Fundraising	Total 2025	Total 2024
	Adolescent Family Strengthening Programs	Prevention Education and Community Health	Total Program Expenses				
Salaries and wages	\$ 1,032,704	\$ 183,206	\$ 1,215,910	\$ 14,849	\$ 69,586	\$ 1,300,345	\$ 1,128,505
Payroll taxes	89,807	16,028	105,835	1,481	5,845	113,161	99,922
Employee benefits	72,892	19,946	92,838	706	7,815	101,359	85,118
Allowance and speaker stipend	-	757	757	75	-	832	1,521
Child care	1,300	55	1,355	-	-	1,355	1,812
Equipment rental	4,143	638	4,781	93	226	5,100	5,114
Food	6,473	416	6,889	671	614	8,174	8,827
Insurance	21,654	3,335	24,989	500	1,180	26,669	23,167
Interest expense	6,382	983	7,365	144	347	7,856	10,414
IT and software	15,434	2,527	17,961	700	1,007	19,668	-
Local transportation	12,167	3,025	15,192	88	-	15,280	16,944
Maintenance and utilities	33,374	4,012	37,386	680	1,419	39,485	56,317
Operating supplies	65,118	8,209	73,327	1,513	1,600	76,440	107,773
Operating supplies (in-kind)	14,982	-	14,982	-	-	14,982	9,265
Other consultants	59,541	5,448	64,989	4,124	10,893	80,006	27,026
Other expenses	5,099	376	5,475	2,865	410	8,750	11,539
Outside printing	1,425	-	1,425	-	2,023	3,448	3,501
Pantry supplies	4,691	-	4,691	-	-	4,691	694
Pantry supplies (in-kind)	5,139	-	5,139	-	-	5,139	4,142
Postage and shipping	490	75	565	29	246	840	1,460
Program consultants	73,116	225	73,341	638	-	73,979	88,946
Space rental	5,318	-	5,318	-	-	5,318	5,018
Subscriptions and reference materials	12,985	572	13,557	616	793	14,966	9,770
Telephone	12,425	1,914	14,339	189	677	15,205	9,782
Training	19,759	1,836	21,595	9	22	21,626	4,863
Special event expenses	-	-	-	-	18,498	18,498	21,390
Total expenses before depreciation and amortization	1,576,418	253,583	1,830,001	29,970	123,201	1,983,172	1,742,830
Depreciation and amortization	19,200	2,957	22,157	433	1,046	23,636	21,035
Less: direct benefit donor expenses	-	-	-	-	(18,498)	(18,498)	(21,390)
Total expenses	\$ 1,595,618	\$ 256,540	\$ 1,852,158	\$ 30,403	\$ 105,749	\$ 1,988,310	\$ 1,742,475

The accompanying notes are an integral part of this statement.

TEEN PARENT CONNECTION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities -

Teen Parent Connection, Inc. (the "Organization") is a not-for-profit 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.

The following programs are included in the accompanying financial statements:

Prevention Education and Community Health -

The Organization's Prevention Education and Community Health programs promote the health, safety, and well-being of adolescents, young parents, and their children - both within the programs and throughout the wider community - through comprehensive, evidence-based education and outreach. These initiatives are designed to reduce teen pregnancy, support informed and healthy decision-making, strengthen family stability, and improve overall community health outcomes across DuPage County.

Through the Peer Prevention Program, the Organization delivers age-appropriate, fact-based education to middle and high school students as part of their existing health curricula. A professional Health Educator works with a trained Peer Educator to present interactive lessons on the realities and responsibilities of adolescent pregnancy, reproductive health, and healthy relationships. The program meets Illinois Reproductive Health Education Standards and remains the only one of its kind in DuPage County. Prevention curricula are adapted for diverse learning environments - including traditional schools, alternative education programs, juvenile justice and substance-use treatment facilities—and are tailored to meet the needs of each audience. Specialized instruction is also provided for young adults with intellectual and developmental disabilities through high school transition programs, emphasizing personal safety, consent, and self-advocacy.

Parent engagement is another cornerstone of the prevention model. Workshops and materials equip parents and caregivers with tools to communicate effectively with their children about sexual health, relationships, and responsible decision-making.

Complementing school-based prevention, the Organization extends its commitment to community health through Family Planning and Reproductive Health Education for young parents enrolled in its direct service programs, helping them delay or prevent subsequent pregnancies and improve their inter-conception health.

The Organization's Car Seat Safety Education Program further enhances public health and safety by ensuring families have access to safe, properly installed car seats and the knowledge needed to use them correctly.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Nature of Activities - (Continued)

Prevention Education and Community Health - (Continued)

Together, these prevention and community health initiatives create safer, healthier families and communities by equipping youth and parents with the knowledge, skills, and resources to make informed, responsible choices that support lifelong well-being.

Adolescent Family Strengthening Programs -

The Organization's Adolescent Family Strengthening Programs provide a comprehensive continuum of evidence-based and family-centered services designed to empower adolescent parents, promote healthy family functioning, and support the optimal growth and development of their children. Through coordinated programs that address health, education, mental health, and practical needs, the Organization helps young parents build the skills, confidence, and stability necessary to thrive.

Community-Based Doula Services reduce disparities in birth outcomes by offering intensive prenatal, labor, and postpartum support. Doulas conduct home visits to promote healthy pregnancies, facilitate parent-child bonding, and provide screening and education related to postpartum health.

Home Visiting Services are delivered through the nationally recognized Healthy Families America and Parents as Teachers models, both of which offer long-term, individualized home-based education and support beginning prenatally or at birth. These models focus on strengthening parent-child relationships, promoting healthy development, and linking families to resources that build protective factors and reduce risk for abuse and neglect.

Complementing home-based services, the Organization's Group-Based Education and Support continuum—including childbirth education, postpartum, and parenting education groups – which provide peer-centered opportunities for learning and connection. These programs address topics such as prenatal health, labor and delivery, child development, and positive parenting, while reducing the isolation often experienced by young parents.

Additional services include Young Father Engagement, which supports fathers' active participation in their child's life and promotes positive co-parenting; and Individual, Couple, and Family Therapy, which ensures access to affordable, developmentally informed mental health support.

The Parents' Pantry further strengthens families by providing essential baby care items through an incentive-based model that rewards program participation. Together, these programs form an integrated, trauma-informed network that builds resilience and strengthens protective factors for adolescent parents and their children throughout DuPage County.

The following is a summary of the significant accounting policies applied by management in the preparation of the accompanying financial statements.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Basis of Accounting -

The financial statements of the Organization have been prepared on the accrual basis of accounting which recognizes revenues as they are earned and expenses as they are incurred.

Basis of Presentation -

Financial statement presentation follows the recommendations of the Accounting Standards Codification (ASC), *Financial Statements for Not-for-Profit Organizations*. Under the ASC, the Organization is required to report information regarding two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Without donor restrictions - Net assets that are not subject to donor-imposed stipulations and may be expensed for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of management and the board of directors.

With donor restrictions - Net assets subject to donor-imposed stipulations. Some donor restrictions are temporary in nature; those restrictions will be met either by actions of the Organization and/or the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Cash and Cash Equivalents -

For purposes of the statement of cash flows, the Organization considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents.

Concentration on Credit Risk -

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash. The Organization places its cash and deposits with high-quality financial institutions; however, deposits may exceed the federally insured limits of their institution from time to time.

Grants Receivable -

The Organization carries its grants receivable at the amount of unreimbursed expenses from the grantor less an allowance for doubtful accounts. Receivables are written off against the allowance when management determines that recovery is unlikely, and the Organization ceases its collection efforts. Management estimated that no allowance for doubtful accounts was necessary at June 30, 2025 and 2024.

Promises to Give -

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Investments -

Investments are carried at fair value. Realized and unrealized gains and losses are reflected in the statement of activities. Investment fees, including direct internal investment expenses, if any, are netted with investment income on the statement of activities and changes in net assets.

Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of market risk associated with certain investment securities, it is possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Property and Equipment -

The Organization follows the practice of capitalizing, at cost, all disbursements for fixed assets in excess of \$5,000. Depreciation is provided over the estimated useful lives of the assets of 5 to 39 years under the straight-line method. Depreciation expense was \$23,636 and \$21,035 for the years ended June 30, 2025 and 2024, respectively.

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 2025 or 2024.

Contributions and Grants -

The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or a 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 reported in the statement of activities as net assets released from restrictions.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts are recognized as revenue when the Organization has incurred expenditures in compliance with specific grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Contributions and Grants - (Continued)

The Organization records special events revenue equal to the fair value of the direct benefits provided to donors for the exchange portion and contribution income for the excess received. The Organization typically receives payment for the event in advance, based on a set price. Special event revenue received in advance is recorded as deferred revenue and is recognized at the point in time when the event occurs. As of June 30, 2025 and 2024, the Organization has no deferred revenue.

In-Kind Contributions -

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 number 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 GAAP.

Allocation of Expenses -

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes, employee benefits, insurance, maintenance and utilities, depreciation and other expenses which are allocated on the basis of estimated of time and effort.

Leases -

The Organization determines if an arrangement is a lease or contains a lease at inception of the contract. For any material operating leases with a term of over one year, the Organization records an operating lease right-of-use asset, and current and long-term operating lease liabilities in the statement of financial position. Operating lease right-of-use assets and lease liabilities are measured based on the present value of future lease payments over the lease term at each lease's commencement date. Operating lease expense for lease payments is recognized on a straight-line basis over the terms of each lease. As of June 30, 2025 and 2024, the Organization did not have any material operating leases.

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 reported amounts and disclosures. Actual results could differ from those estimates.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Income Taxes -

The Organization has been determined by the Internal Revenue Service to be exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income tax has been established.

The Organization files informational tax returns in the U.S. federal jurisdiction and Illinois. With few exceptions, the Organization is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for fiscal years before 2022. The Organization does not expect a material net change in unrecognized tax benefits in the next twelve months.

Comparative Financial Information -

The statement of functional expenses include certain prior year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organizations' financial statements for the year ended June 30, 2024, from which the summarized information was derived.

Subsequent Events -

The Organization has evaluated all subsequent events and transactions for potential recognition or disclosure through November 24, 2025, the date the financial statements were available for issuance.

(2) PROMISES TO GIVE:

Unconditional promises to give are estimated to be collected as follows as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Within one year	\$ 256,741	\$ 397,518
In one to five years	<u>-</u>	<u>-</u>
Net unconditional promises to give	<u>\$ 256,741</u>	<u>\$ 397,518</u>

(3) BENEFICIAL INTEREST IN INVESTMENT POOL:

The Organization maintains assets with DuPage Foundation (DF), a local community foundation, created in 1986. Under this agreement, the assets are invested at the discretion of DF for the benefit of the Organization. DF shall receive, administer, and disburse fund assets for the Organization's use at the Organization's request. The Organization retains a beneficial interest in those assets and maintains the assets on the statement of financial position. As of June 30, 2025 and 2024, the fair value of the beneficial interest was \$88,210 and \$85,549, respectively.

(3) BENEFICIAL INTEREST IN INVESTMENT POOL: (Continued)

All dividend, interest income, and realized and unrealized gains and losses on assets bought, sold, and held during the period are credited to the fund or disbursed as requested by the Organization. All fund earnings are classified as investment income (loss) on the statement of activities and changes in net assets in the period earned. Periodic distributions of income are made to the Organization. The Organization received income distributions of \$3,900 and \$3,800 from this fund during the years ended June 30, 2025 and 2024, respectively.

(4) REVOCABLE SPLIT-INTEREST AGREEMENT:

The Organization is the beneficiary under a designated fund administered by DF. 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 DF. Net investment gain from the fund was \$1,039 and \$952 for the years ended June 30, 2025 and 2024, respectively.

(5) FAIR VALUE MEASUREMENTS:

The Accounting Standards Codification for Fair Value Measurements established 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). 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.

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;
- 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:

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

(5) FAIR VALUE MEASUREMENTS: (Continued)

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 methodology used for assets measured at fair value. There have been no changes in the methodology used at June 30, 2025 and 2024.

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

Mutual Funds: Valued at the closing price (net asset value) reported on the active market on which the individual securities are traded.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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

<u>Description</u>	<u>Assets at Fair Value as of June 30, 2025</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Pooled investments	\$ -	\$ 88,210	\$ -	\$ 88,210
Mutual funds	<u>1,544,355</u>	<u>-</u>	<u>-</u>	<u>1,544,355</u>
Total assets at fair value	<u>\$ 1,544,355</u>	<u>\$ 88,210</u>	<u>\$ -</u>	<u>\$ 1,632,565</u>

<u>Description</u>	<u>Assets at Fair Value as of June 30, 2024</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Pooled investments	\$ -	\$ 85,549	\$ -	\$ 85,549
Mutual funds	<u>1,360,980</u>	<u>-</u>	<u>-</u>	<u>1,360,980</u>
Total assets at fair value	<u>\$ 1,360,980</u>	<u>\$ 85,549</u>	<u>\$ -</u>	<u>\$ 1,446,529</u>

(6) INVESTMENT INCOME:

Investment income resulting from investments held with a brokerage and the assets held by DuPage Foundation consists of the following for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Interest and dividends	\$ 27,571	\$ 27,889
Realized gain	14,000	12,102
Unrealized gain	154,994	177,501
Investment fees	<u>(1,154)</u>	<u>(1,016)</u>
Total investment income	<u>\$ 195,411</u>	<u>\$ 216,476</u>

(7) NOTES PAYABLE:

Notes payable at June 30, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Mortgage payable to a bank, due in monthly principal and interest installments of \$3,022, bearing an interest rate of 4.75%. The note is secured by the land and building associated with the mortgage and matures in December 2025, at which time a balloon payment is due.	\$ 147,558	\$ 178,288
Less - Current maturities	<u>(147,558)</u>	<u>(28,299)</u>
Long - term portion	<u>\$ -</u>	<u>\$ 149,989</u>

Minimum payments due are as follows:

Year ending <u>June 30,</u>	
2026	<u>\$ 147,558</u>

(8) NET ASSETS:

Net assets that are board-designated are as follows:

	<u>2025</u>	<u>2024</u>
Capital improvements	<u>\$ 400,000</u>	<u>\$ 400,000</u>

(8) NET ASSETS: (Continued)

Net assets with donor restrictions are as follows:

	<u>2025</u>	<u>2024</u>
Family Strengthening	\$ 25,000	\$ 45,000
Pathways to Prevention	95,000	58,000
Scholarships	10,000	10,000
Home Visiting	30,480	97,011
Young Parent Support Group	-	3,000
Capital Campaign	1,500	-
Time Restricted – General operations for future periods	<u>150,000</u>	<u>150,000</u>
	<u>\$ 311,980</u>	<u>\$ 363,011</u>

(9) CONCENTRATIONS:

For the year ended June 30, 2025 approximately 31% of the Organization's revenue was earned under grant agreements from one government agency and 28% of the Organization's revenue was earned from one foundation funding source.

For the year ended June 30, 2024 approximately 21% of the Organization's revenue was earned under grant agreements from one government agency and 30% of the Organization's revenue was earned from two foundation funding sources.

(10) IN KIND CONTRIBUTIONS:

For the years ended June 30, 2025 and 2024 contributed nonfinancial assets recognized within the statement of activities included the following:

	<u>2025</u>	<u>2024</u>
Operating supplies	\$ 14,982	\$ 9,265
Pantry supplies	<u>5,139</u>	<u>4,142</u>
Total contributed nonfinancial assets	<u>\$ 20,121</u>	<u>\$ 13,407</u>

Fair value of in-kind contributions is determined as follows:

Operating supplies: The donated operating supplies consist of gift cards and toys and are utilized in group services, healthy families, and doula programs. The Organization estimates the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States.

Pantry supplies: The donated pantry supplies consist of diapers and are utilized in the pantry programs. The Organization estimates the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States.

(11) OPERATING LEASES:

The Organization has entered into operating leases for office space and equipment with monthly payments of up to \$300 through January 2028. Lease expense under these agreements amounted to \$10,418 and \$10,132 for the years ended June 30, 2025 and 2024, respectively.

The Organization has elected not to capitalize operating lease assets and liabilities that do not meet the materiality threshold. For the year ended June 30, 2025, the total future minimum lease payments under non-material operating leases are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2026	\$ 5,600
2027	3,600
2028	<u>2,100</u>
	<u>\$ 11,300</u>

(12) RETIREMENT PLAN:

The Organization maintains a 403(b) Thrift 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, 2025 and 2024, were \$29,666 and \$23,251, respectively.

(13) 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, comprise the following at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Financial Assets at year-end -		
Cash and cash equivalents	\$ 676,735	\$ 327,986
Grants receivable	175,355	197,929
Promises to give	256,741	397,518
Investments	<u>1,544,355</u>	<u>1,360,980</u>
Total financial assets	<u>2,653,186</u>	<u>2,284,413</u>
Less amounts not available to be used within one year -		
Board designated	400,000	400,000
Donor restricted funds	<u>311,980</u>	<u>363,011</u>
	<u>711,980</u>	<u>763,011</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,941,206</u>	<u>\$ 1,521,402</u>

(13) LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES: (Continued)

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.

The Organization has certain board designated net assets that are designated for future expenditures and are not available for general expenditures within the next year. However, the board designated amounts could be made available, if necessary.

**Illinois Grant Accountability and Transparency
Consolidated Year-End Financial Report**

Grantee Name	Teen Parent Connection
ID Numbers	Audit: 57862 Grantee: 672859 UEI: DUFXRU7MKJM9 FEIN: 363387034
Audit Period	7/1/2024 12:00:00 AM - 6/30/2025 12:00:00 AM
Last Update	11/19/2025 10:17:32 AM
Program Count	3

EXPENDITURES BY PROGRAM

CSFA #	Program Name	State	Federal	Total	Match
418-00-3368	Community-Based Father Support & Engagement Prevention Pilot Program	0.00	77,400.00	77,400.00	0.00
444-84-2889	IDHS Home Visiting	614,587.00	0.00	614,587.00	0.00
444-84-2891	Responsible Parenting	0.00	92,280.00	92,280.00	0.00
	All other federal expenditures		0.00	0.00	
TOTALS		614,587.00	169,680.00	784,267.00	0.00

EXPENDITURES BY CATEGORY

Amount	Category
395,256.91	Personal Services (Salaries and Wages)
68,089.08	Fringe Benefits
9,060.95	Travel
63,440.68	Supplies
54,762.09	Contractual Services
31,318.83	Consultant (Professional Services)
23,760.26	Occupancy - Rent and Utilities
6,226.95	Telecommunications
8,330.66	Training and Education
122,256.59	Direct Administrative Costs
1,764.00	Grant Exclusive:Direct Adm Exp excl. adm. salaries
784,267.00	TOTAL

**Illinois Grant Accountability and Transparency
Consolidated Year-End Financial Report**

State Agency	Department Of Children And Family Services
CSFA Number	418-00-3368
Program Name	Community-Based Father Support & Engagement Prevention Pilot Program
Popular Name	Father Engagement Pilot
Program Contact	Name: Leslie S. Rice Phone: (312) 328-2953 Email: DCFS.GATA@Illinois.gov
State Amount Expended	0.00
Federal Amount Expended	77400.00

Expenditures by Category

50,193.00	Personal Services (Salaries and Wages)
10,037.00	Fringe Benefits
242.00	Travel
401.00	Supplies
4,591.00	Consultant (Professional Services)
1,353.00	Training and Education
8,819.00	Direct Administrative Costs
1,764.00	Grant Exclusive:Direct Adm Exp excl. adm. salaries
77,400.00	TOTAL

**Illinois Grant Accountability and Transparency
Consolidated Year-End Financial Report**

State Agency	Department Of Human Services
CSFA Number	444-84-2889
Program Name	IDHS Home Visiting
Popular Name	IDHS Home Visiting
Program Contact	Name: Joanna Su Phone: 312-882-4051 Email: Joanna.Su@illinois.gov
State Amount Expended	614587.00
Federal Amount Expended	0.00

Expenditures by Category

282,696.83	Personal Services (Salaries and Wages)
52,039.72	Fringe Benefits
7,072.40	Travel
63,039.68	Supplies
51,153.05	Contractual Services
26,727.83	Consultant (Professional Services)
20,844.63	Occupancy - Rent and Utilities
4,684.98	Telecommunications
6,977.66	Training and Education
99,350.22	Direct Administrative Costs
614,587.00	TOTAL

**Illinois Grant Accountability and Transparency
Consolidated Year-End Financial Report**

State Agency	Department Of Human Services
CSFA Number	444-84-2891
Program Name	Responsible Parenting
Popular Name	Responsible Parenting
Program Contact	Name: Chuck Dooley Phone: 312-520-2979 Email: Charles.Dooley@illinois.gov
State Amount Expended	0.00
Federal Amount Expended	92280.00

Expenditures by Category

62,367.08	Personal Services (Salaries and Wages)
6,012.36	Fringe Benefits
1,746.55	Travel
3,609.04	Contractual Services
2,915.63	Occupancy - Rent and Utilities
1,541.97	Telecommunications
14,087.37	Direct Administrative Costs
92,280.00	TOTAL