

TEENS, Inc.

Financial Statements and Independent Auditor's Report
June 30, 2022 and 2021

TEENS, INC.

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To the Board of Directors of
TEENS, Inc.
Nederland, Colorado

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of TEENS, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position TEENS, Inc. as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of TEENS, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore

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is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of TEENS, Inc. internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about TEENS, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited TEENS, Inc.'s 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 13, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived

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TEENS, INC.
STATEMENTS OF FINANCIAL POSITION
As of June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS:		
Current Assets:		
Cash and cash equivalents	\$ 453,253	\$ 418,242
Accounts receivable	625	-
Grants receivable	679,071	706,577
Prepaid expenses	100	155
Total Current Assets	<u>1,133,049</u>	<u>1,124,974</u>
Property and Equipment:		
Building, furniture, and equipment	1,552,781	1,526,231
Less accumulated depreciation	<u>(700,841)</u>	<u>(659,958)</u>
Total Property and Equipment	851,940	866,273
Other Assets:		
Long-term investments	<u>269,083</u>	<u>310,030</u>
	269,083	310,030
TOTAL ASSETS	<u><u>\$ 2,254,072</u></u>	<u><u>\$ 2,301,277</u></u>
LIABILITIES AND NET ASSETS:		
Current Liabilities:		
Accounts payable	\$ 4,506	\$ 7,136
Accrued payroll expenses	93,835	118,819
Deferred revenue	17,093	-
Total Current Liabilities	<u>115,434</u>	<u>125,955</u>
Net Assets:		
Without donor restrictions	<u>2,138,638</u>	<u>2,175,322</u>
Total Net Assets	<u>2,138,638</u>	<u>2,175,322</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 2,254,072</u></u>	<u><u>\$ 2,301,277</u></u>

See Independent Auditor's Report and accompanying notes, which are an integral part of these financial statements.

TEENS, INC.
STATEMENTS OF ACTIVITIES
For the years ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating Activities:		
Public support and revenue:		
Division of Youth Services contract	\$ 2,499,816	\$ 2,429,816
Grants	1,116,316	1,226,136
Program fees	584,990	524,681
Boulder Valley School District	215,650	164,877
Donations	157,991	177,392
Special events, net of expenses of \$15,953 and \$4,991, respectively	18,190	64
Total public support and revenue	<u>4,592,953</u>	<u>4,522,966</u>
Expenses:		
Program services	4,372,876	3,952,290
Supporting services:		
Management and general	87,154	98,611
Fundraising	128,445	127,664
Total expenses	<u>4,588,475</u>	<u>4,178,565</u>
Change in net assets without restrictions from operating activities	<u>4,478</u>	<u>344,401</u>
Non-Operating Activities:		
Loan Forgiveness - PPP	-	70,000
Investment income	(36,128)	29,616
Investment management expenses	(3,868)	(2,067)
Loss on disposal of assets	(1,166)	-
Change in net assets without restrictions from non-operating activities	<u>(41,162)</u>	<u>97,549</u>
Change in net assets without restrictions	(36,684)	441,950
Net asset without restrictions at beginning of year	<u>2,175,322</u>	<u>1,733,372</u>
Net assets without restrictions at end of year	<u>\$ 2,138,638</u>	<u>\$ 2,175,322</u>

See Independent Auditor's Report and accompanying notes, which are an integral part of these financial statements.

TEENS, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the year ended June 30, 2022

	Program Services					Supporting Services				Total Expenses
	Lookout	Education	Youth Leadership & Recreation	Community Initiatives	Youth Employment	Total Program Services	Management and General	Fundraising	Total Support	
Salaries and wages	\$ 1,643,441	\$ 646,185	\$ 81,830	\$ 260,252	\$ 443,813	\$ 3,075,521	\$ 53,196	\$ 76,432	\$ 129,628	\$ 3,205,149
Employee benefits	150,201	60,080	13,655	21,847	13,655	259,438	5,462	8,193	13,655	273,093
Payroll taxes	154,931	61,972	14,085	22,535	14,085	267,608	5,634	8,451	14,085	281,693
Operating-Lookout Mountain	255,220	-	-	-	-	255,220	-	-	-	255,220
Contract services	98,260	32,911	6,203	4,666	22,239	164,279	5,730	19,191	24,921	189,200
Program supplies	-	35,002	17,415	16,949	47,941	117,307	-	-	-	117,307
Insurance	-	33,668	24,410	3,367	15,992	77,437	3,367	3,367	6,734	84,171
Travel	-	7,847	9,054	3,622	36,217	56,740	1,811	1,811	3,622	60,362
Depreciation	-	18,431	14,284	1,382	8,755	42,852	1,382	1,843	3,225	46,077
Office expense	-	8,547	5,799	4,392	5,252	23,990	8,790	3,448	12,238	36,228
Building operations	-	16,862	5,752	742	3,525	26,881	742	371	1,113	27,994
Rent	-	218	218	3,625	218	4,279	-	2,973	2,973	7,252
Advertising	-	264	530	265	265	1,324	-	1,325	1,325	2,649
Public relations	-	-	-	-	-	-	1,040	1,040	2,080	2,080
	<u>\$ 2,302,053</u>	<u>\$ 921,987</u>	<u>\$ 193,235</u>	<u>\$ 343,644</u>	<u>\$ 611,957</u>	<u>\$ 4,372,876</u>	<u>\$ 87,154</u>	<u>\$ 128,445</u>	<u>\$ 215,599</u>	<u>\$ 4,588,475</u>

See Independent Auditor's Report and accompanying notes, which are an integral part of these financial statements.

TEENS, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the year ended June 30, 2021

	Program Services					Total Program Services	Supporting Services			Total Expenses
	Lookout	Education	Youth Leadership & Recreation	Community Initiatives	Youth Employment		Management and General	Fundraising	Total Support	
Salaries and wages	\$ 1,660,943	\$ 582,220	\$ 49,121	\$ 201,381	\$ 415,648	\$ 2,909,313	\$ 59,422	\$ 66,134	\$ 125,556	\$ 3,034,869
Employee benefits	150,983	60,393	13,726	21,961	13,725	260,788	5,490	8,237	13,727	274,515
Payroll taxes	135,027	54,010	12,275	19,640	12,275	233,227	4,910	7,367	12,277	245,504
Operating-Lookout Mountain	228,612	-	-	-	-	228,612	-	-	-	228,612
Contract services	28,766	18,639	3,316	2,486	9,931	63,138	15,450	32,351	47,801	110,939
Program supplies	-	27,847	10,973	19,236	39,143	97,199	-	-	-	97,199
Depreciation	-	18,524	14,356	1,389	8,799	43,068	1,389	1,853	3,242	46,310
Insurance	-	18,151	13,159	1,815	8,621	41,746	1,815	1,816	3,631	45,377
Office expense	-	6,790	4,208	2,684	3,712	17,394	7,741	5,279	13,020	30,414
Building operations	-	18,231	5,601	722	3,433	27,987	723	363	1,086	29,073
Travel	-	4,957	4,311	1,294	8,621	19,183	1,293	1,079	2,372	21,555
Rent	-	197	197	3,292	197	3,883	-	2,702	2,702	6,585
COVID relief	-	-	-	5,971	-	5,971	-	-	-	5,971
Printing	-	127	85	254	85	551	211	85	296	847
Advertising	-	46	92	46	46	230	-	230	230	460
Public relations	-	-	-	-	-	-	167	168	335	335
	<u>\$ 2,204,331</u>	<u>\$ 810,132</u>	<u>\$ 131,420</u>	<u>\$ 282,171</u>	<u>\$ 524,236</u>	<u>\$ 3,952,290</u>	<u>\$ 98,611</u>	<u>\$ 127,664</u>	<u>\$ 226,275</u>	<u>\$ 4,178,565</u>

See Independent Auditor's Report and accompanying notes, which are an integral part of these financial statements.

TEENS, INC.
STATEMENTS OF CASH FLOWS
For the years ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ (36,684)	\$ 441,950
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	46,077	46,310
Unrealized loss on investments	41,952	(27,127)
Investment management fees	3,868	2,067
PPP loan forgiveness	-	(70,000)
Change in operating assets and liabilities:		
Change in grants receivable	27,507	(88,164)
Change in accounts receivable	(625)	346
Change in prepaid expenses	55	20,047
Change in accounts payable	(2,630)	(7,109)
Change in deferred revenue	17,093	-
Change in accrued expenses payable	(24,984)	87,816
Net cash provided by operating activities	<u>71,629</u>	<u>406,136</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	-	(150,000)
Reinvested dividends, net of fees	(5,792)	(2,456)
Proceeds from investments	918	944
Purchase of property and equipment	(31,744)	(47,824)
Net cash used in investing activities	<u>(36,618)</u>	<u>(199,336)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments on loan payable	-	(2,600)
Net cash used in investing activities	<u>-</u>	<u>(2,600)</u>
Net increase in cash and cash equivalents	35,011	204,200
Cash and cash equivalents at beginning of year	418,242	214,042
Cash and cash equivalents at end of year	<u>\$ 453,253</u>	<u>\$ 418,242</u>
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest	\$ -	\$ -

See Independent Auditor's Report and accompanying notes, which are an integral part of these financial statements.

TEENS, INC.
NOTES TO THE FINANCIAL STATEMENTS
As of June 30, 2022 and 2021 and for the years then ended

NOTE 1: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

TEENS, Inc. (the “Organization”) is a non-profit corporation formed in 1995 under the laws of the State of Colorado. The Organization supports, educates and empowers youth and their families to make healthy choices and thrive.

Financial Statement Presentation

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 of America (GAAP). The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) “Audit and Accounting Guide for Not-for-Profit Organizations” (the “Guide”). ASC 958 was effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net Assets Without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization’s board may designate assets without restrictions for specific operational purposes from time to time.

Net Assets With Donor Restrictions

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

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.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less, except those designated for long-term purposes, to be cash equivalents. The Organization’s cash and cash equivalents in bank deposit accounts, at times, may exceed federally insured limits. As of June 30, 2022, the Organization’s cash balances exceeded FDIC insured limits by \$485,471.

TEENS, INC.
NOTES TO THE FINANCIAL STATEMENTS
As of June 30, 2022 and 2021 and for the years then ended

Grants Receivable

Receivables, representing amounts due from grantors, are stated at amounts estimated by management to be the net realizable value. The Organization periodically evaluates the collectability of accounts receivable and establishes a reserve for uncollectible accounts based on an evaluation of the specific unpaid account balances. As of June 30, 2022, there were no allowances against such.

Investments

Investments are reflected at fair market value. To adjust the carrying value of these investments, the change in fair market value is recorded on the statement of activities and changes in net assets.

Property and Equipment

Acquisitions of assets in excess of \$500 are capitalized at cost. Property and equipment are depreciated using the straight-line method over the assets estimated useful life. The estimated useful lives range from five to thirty-nine years. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Contributions restricted for the acquisition of land, buildings and equipment are reported as net assets without donor restrictions upon acquisition of the assets and the assets are placed in service.

Contributions

Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support.

Contributed Services and Other In-Kind Contributions

Contributed services are recorded if they (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. A number of volunteers have contributed significant amounts of their time in the Organization's program services, but are not recognized as contributions in the financial statement because they do not meet the aforementioned criteria. There were no in-kind contributions for the years ended June 30, 2022 and 2021.

Measure of Operation

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing activities. Non-operating activities are limited to resources that generate

TEENS, INC.
NOTES TO THE FINANCIAL STATEMENTS
As of June 30, 2022 and 2021 and for the years then ended

return from investments, endowment contributions, financing costs, and other activities considered to be of a more unusual or nonrecurring nature.

New Accounting Pronouncement

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). This ASU requires a lessee to recognize a right-of-use asset and a lease liability under most operating leases in its balance sheet. The ASU is effective for annual and interim periods beginning after December 15, 2021, including interim periods within those fiscal years. Early adoption is permitted. We are continuing to evaluate the impact of this new standard on our financial reporting and disclosures.

Functional Allocation of Expenses

The Organization allocates its expenses on a functional basis among its various programs including general and administrative supporting services. Expenses and support services that can be identified with a specific program are allocated directly according to their natural expenditure classification. Other expenses that are common to several programs are allocated based on various relationships.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and related costs	Time and effort
Occupancy costs	Use of space estimates

All other expenses were allocated based on the specific identification method.

Income Tax

No provision has been made for income taxes, since the Organization is exempt from Federal income tax pursuant to Internal Revenue Code Section 501(c)(3). There was no unrelated business taxable income during the year. The Organization has not recognized any cumulative adjustment relating to the adoption of FASB ASC Income Tax Topic, nor are there any unrecognized tax benefits to be disclosed as of June 30, 2022. Uncertainty in income taxes for a not-for-profit organization would include the status of its exemption from taxes, status of filings in local jurisdictions, and unrelated business income, if any. The Organization's information return filing for the years 2020 to 2022 remains subject to examination by the Internal Revenue Service.

Accrued Compensated Absences

The Organization provides vacation and sick leave to its full-time and part-time employees. These are earned based on years of service and subject to limitations on accumulation. Upon separation from service, employees are paid for unused vacation leave. Accrued compensated absences as of June 30, 2022 and 2021 was \$29,843 and \$18,945, respectively.

TEENS, INC.
NOTES TO THE FINANCIAL STATEMENTS
As of June 30, 2022 and 2021 and for the years then ended

NOTE 2: FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (“FASB”) guidance specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy are as follows:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 primarily consists of financial instruments whose value is based on quoted market prices such as exchange-traded instruments and listed equities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (e.g., quoted prices of similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active).

Level 3 - Unobservable inputs for the asset or liability. Financial instruments are considered Level 3 when their fair values are determined using pricing models, discounted cash flows or similar techniques and at least one significant model assumption or input is unobservable.

At June 30, 2022, the Organization’s investments resided in the following classifications:

	Total	Level 1	Level 2	Level 3
Investment pool	\$ 269,083	\$ 269,083	\$ -	\$ -
Total	<u>\$ 269,083</u>	<u>\$ 269,083</u>	<u>\$ -</u>	<u>\$ -</u>

At June 30, 2021, the Organization’s investments resided in the following classifications:

	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 2,694	\$ 2,694	\$ -	\$ -
Money market	6,174	6,174	-	-
Investment pool	301,162	301,162	-	-
Total	<u>\$ 310,030</u>	<u>\$ 310,030</u>	<u>\$ -</u>	<u>\$ -</u>

Cash equivalents and money market accounts are valued at cost which approximates their fair value. The investment pools are valued at the net asset value reported to the Organization.

TEENS, INC.
NOTES TO THE FINANCIAL STATEMENTS
As of June 30, 2022 and 2021 and for the years then ended

Investments consist of two funds held with The Community Foundation of Boulder County. The Community Foundation holds, manages, invests and reinvests the assets of these funds. Under the terms of the agreements with The Community Foundation of Boulder County, if the Organization withdraws more than 5% of the principal value it will need the approval of The Community Foundation's Board. The Nederland Youth & Family Organization Fund consists of donations made by the Organization from net assets without donor restrictions. The We of Me Fund was established in February 2018 as a scholarship fund with \$5,000 of net assets with donor restrictions and \$13,000 of net assets without donor restrictions designated by the Organization's board of directors for scholarship use.

The balances held in the Nederland Youth & Family Fund and the We and Me Scholarship Fund were \$251,260 and \$17,723, respectively, as of June 30, 2022 and \$288,653 and \$21,277, respectively, as of June 30, 2021.

Investment income recorded in the statement of activities is as follows as of June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Interest and dividends	\$ 5,824	\$ 2,489
Unrealized gain/(loss)	(41,952)	27,127
Total	<u>\$ (36,128)</u>	<u>\$ 29,616</u>

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Buildings & improvements	\$ 1,382,245	\$ 1,353,232
Office equipment & furniture	48,143	50,606
Vehicles	122,393	122,393
Less accumulated depreciation	(700,841)	(659,958)
Net property and equipment	<u>\$ 851,940</u>	<u>\$ 866,273</u>

Depreciation expense for the years ended June 30, 2022 and 2021 were \$46,077 and \$46,310, respectively.

NOTE 4: LINE OF CREDIT

On September 23, 2021, the Organization renewed its line of credit loan agreement, allowing for borrowings up to \$350,000 at an interest rate of 4.25%, which is due on demand. The loan is secured by the assets of the Organization. The outstanding balances as of June 30, 2022 and 2021 were \$0. Interest paid for the years ended June 30, 2022 and 2021 were \$0.

See accompanying Independent Auditor's Report

TEENS, INC.
NOTES TO THE FINANCIAL STATEMENTS
As of June 30, 2022 and 2021 and for the years then ended

NOTE 5: CONCENTRATIONS

The Organization's revenue sources carry significant concentrations. For the years ended June 30, 2022 and 2021, the Division of Youth Services represented over 10% of revenues and it represented a concentration of risk which was approximately 55% and 59% of total revenues, respectively. Currently the contract has been renewed through June 30, 2023. Services for that program would be discontinued if funding is not renewed, however, other programming would continue in the current capacity.

NOTE 6: RETIREMENT PLAN

The Organization offers a 401(k) plan to salaried employees who have six months of consecutive service. The Organization will match 3%, which is determined one month before the beginning of each calendar year. Retirement plan expenses were \$35,214 and \$31,928 for the years ended June 30, 2022 and 2021, respectively.

NOTE 7: LIQUIDITY

The Organization monitors its liquidity so that it is able to meet its operating cash needs and other commitments as they come due.

The following reflects the Organization's financial assets as of the June 30, 2022 reduced by amounts not available for general use within one year because of contractual or donor-imposed restrictions or internal designations:

Financial assets:	
Cash and cash equivalents	\$ 453,253
Grants receivable	679,071
Prepaid expenses	100
Investments	269,083
Total financial assets	<u>1,401,507</u>
Less those unavailable for general expenditures within one year due to:	
Withdrawal restriction on investments	(238,697)
Investments designated for scholarships	<u>(17,724)</u>
Financial assets available for general expenditure within one year	<u><u>\$ 1,145,087</u></u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization has historically operated at profitable or break-even operating results and believes it can continue to fund its operations with its various revenue streams. Should there be a decline in revenues, the Organization may have difficulty in reducing expenses, but has budgetary discretion to reduce costs as needed to ensure ongoing operations.

See accompanying Independent Auditor's Report

TEENS, INC.
NOTES TO THE FINANCIAL STATEMENTS
As of June 30, 2022 and 2021 and for the years then ended

NOTE 8: SUBSEQUENT EVENTS

Management's Evaluation

Management of the Organization has evaluated events and transactions that occurred after the balance sheet date through November 28, 2022, the date the financial statements were available to be issued and has determined that no additional subsequent events occurred that require recognition or disclosure in the financial statements.