

**TEEN HEALTH MISSISSIPPI
FINANCIAL STATEMENTS
FOR THE YEARS ENDED
JUNE 30, 2021 AND 2020**

**TEEN HEALTH MISSISSIPPI
JUNE 30, 2021 AND 2020
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Teen Health Mississippi
Jackson, MS

We have audited the accompanying financial statements of Teen Health Mississippi (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Teen Health Mississippi as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Corbin & Biggs, PLLC

Ridgeland, Mississippi
March 7, 2022

**TEEN HEALTH MISSISSIPPI
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020**

ASSETS

	2021	2020
Current Assets		
Cash and Cash Equivalents (Note 1)	\$ 216,176	\$ 54,562
Unconditional Promises to Give (Note 2)	109,498	119,630
Prepaid Insurance	7,710	4,243
Other Prepaid Expenses	<u>37,105</u>	<u>-</u>
Total Current Assets	<u>370,489</u>	<u>178,435</u>
Property and Equipment		
Office Furniture and Equipment	48,084	46,154
Less: Accumulated Depreciation	<u>(17,573)</u>	<u>(8,857)</u>
Net Property and Equipment	<u>30,511</u>	<u>37,297</u>
Other Assets		
Cash & Cash Equivalents - Restricted (Note 1)	804,595	1,083,711
Other Prepaid Expenses	<u>53,316</u>	<u>-</u>
Total Other Assets	<u>857,911</u>	<u>1,083,711</u>
TOTAL ASSETS	<u><u>\$ 1,258,911</u></u>	<u><u>\$ 1,299,443</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts Payable	\$ 57,922	\$ 73,122
Accrued Expenses	35,753	33,916
Payroll Protection Program Loan (Note 4)	<u>-</u>	<u>95,200</u>
Total Current Liabilities	<u>93,675</u>	<u>202,238</u>
Net Assets		
Without Donor Restrictions	360,641	(1,783)
With Donor Restrictions (Note 5)	<u>804,595</u>	<u>1,098,988</u>
Total Net Assets	<u>1,165,236</u>	<u>1,097,205</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,258,911</u></u>	<u><u>\$ 1,299,443</u></u>

**TEEN HEALTH MISSISSIPPI
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE			
Contributions (Note 1)	\$ 6,758	\$ 1,233,010	\$ 1,239,768
Other Income	95,200	-	95,200
Net Assets Released from Restriction	<u>1,527,403</u>	<u>(1,527,403)</u>	<u>-</u>
TOTAL REVENUE	<u>1,629,361</u>	<u>(294,393)</u>	<u>1,334,968</u>
EXPENSES			
Program Services:			
Programs and Initiatives	744,870	-	744,870
Policy and Advocacy	34,444	-	34,444
Training	<u>249,592</u>	<u>-</u>	<u>249,592</u>
Total Program Expenses	1,028,906	-	1,028,906
Supporting Services:			
General & Administrative	208,231	-	208,231
Fundraising	<u>29,800</u>	<u>-</u>	<u>29,800</u>
TOTAL EXPENSES	<u>1,266,937</u>	<u>-</u>	<u>1,266,937</u>
Increase (Decrease) in Net Assets	362,424	(294,393)	68,031
NET ASSETS - BEGINNING OF YEAR	<u>(1,783)</u>	<u>1,098,988</u>	<u>1,097,205</u>
NET ASSETS - END OF YEAR	<u>\$ 360,641</u>	<u>\$ 804,595</u>	<u>\$ 1,165,236</u>

**TEEN HEALTH MISSISSIPPI
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE			
Contributions (Note 1)	\$ 106,492	\$ 1,321,217	\$ 1,427,709
Event Sponsorships	1,000	-	1,000
Net Assets Released from Restriction	<u>1,201,025</u>	<u>(1,201,025)</u>	<u>-</u>
TOTAL REVENUE	<u>1,308,517</u>	<u>120,192</u>	<u>1,428,709</u>
EXPENSES			
Program Services:			
Programs and Initiatives	867,310	-	867,310
Policy and Advocacy	237,138	-	237,138
Training	<u>117,242</u>	<u>-</u>	<u>117,242</u>
Total Program Expenses	1,221,690	-	1,221,690
Supporting Services:			
General & Administrative	126,970	-	126,970
Fundraising	<u>26,812</u>	<u>-</u>	<u>26,812</u>
TOTAL EXPENSES	<u>1,375,472</u>	<u>-</u>	<u>1,375,472</u>
Increase (Decrease) in Net Assets	(66,955)	120,192	53,237
NET ASSETS - BEGINNING OF YEAR	<u>65,172</u>	<u>978,796</u>	<u>1,043,968</u>
NET ASSETS - END OF YEAR	<u>\$ (1,783)</u>	<u>\$ 1,098,988</u>	<u>\$ 1,097,205</u>

**TEEN HEALTH MISSISSIPPI
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Program Expenses</u>						
	<u>Programs & Initiatives</u>	<u>Policy & Advocacy</u>	<u>Training</u>	<u>Total Program Expenses</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total</u>
Compensation	\$ 374,647	\$ 2,770	\$ 114,737	\$ 492,154	\$ 132,146	\$ 28,556	\$ 652,856
Contract Services	108,858	14,634	54,694	178,186	-	-	178,186
Office Expenses	103,308	122	38,056	141,486	15,268	-	156,754
Occupancy	26,551	13,767	983	41,301	6,884	983	49,168
Travel	1,493	-	1,899	3,392	-	-	3,392
Professional Fees	65,737	175	35,327	101,239	34,740	-	135,979
Conferences & Conventions	59,834	100	3,716	63,650	107	-	63,757
Insurance	-	-	6	6	15,366	-	15,372
Other Expenses	694	-	-	694	2,062	-	2,756
Depreciation	3,748	2,876	174	6,798	1,658	261	8,717
TOTAL EXPENSES	<u>\$ 744,870</u>	<u>\$ 34,444</u>	<u>\$ 249,592</u>	<u>\$ 1,028,906</u>	<u>\$ 208,231</u>	<u>\$ 29,800</u>	<u>\$ 1,266,937</u>

**TEEN HEALTH MISSISSIPPI
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Program Expenses</u>						
	<u>Programs & Initiatives</u>	<u>Policy & Advocacy</u>	<u>Training</u>	<u>Total Program Expenses</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total</u>
Compensation	\$ 339,257	\$ 172,080	\$ 7,407	\$ 518,744	\$ 75,545	\$ 24,985	\$ 619,274
Contract Services	124,741	22,224	55,647	202,612	-	-	202,612
Office Expenses	173,931	7,021	16,654	197,606	(847)	-	196,759
Occupancy	16,104	8,350	596	25,050	4,175	596	29,821
Travel	27,868	8,199	17,456	53,523	435	-	53,958
Professional Fees	154,505	5,799	9,593	169,897	40,878	536	211,311
Conferences & Conventions	18,850	9,905	4,510	33,265	825	-	34,090
Insurance	6,696	312	5,138	12,146	2,959	468	15,573
Other Expenses	2,103	750	90	2,943	1,562	-	4,505
Depreciation	3,255	2,498	151	5,904	1,438	227	7,569
TOTAL EXPENSES	<u>\$ 867,310</u>	<u>\$ 237,138</u>	<u>\$ 117,242</u>	<u>\$ 1,221,690</u>	<u>\$ 126,970</u>	<u>\$ 26,812</u>	<u>\$ 1,375,472</u>

**TEEN HEALTH MISSISSIPPI
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in Net Assets	\$ 68,031	\$ 53,237
Adjustments to Reconcile Change in Net Assets To Net Cash Provided by Operating Activities:		
Depreciation	8,717	7,569
In-Kind Donation	-	(5,500)
(Increase) Decrease in Operating Assets		
Grants Receivable	10,132	439,676
Prepaid Expenses	(93,888)	2,276
Increase (Decrease) in Operating Liabilities		
Accounts Payable	(15,200)	38,190
Accrued Expenses	1,837	21,961
Net Cash Provided (Used) by Operating Activities	<u>(20,371)</u>	<u>557,409</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	<u>(1,931)</u>	<u>(9,565)</u>
Net Cash Used by Investing Activities	<u>-</u>	<u>(9,565)</u>
Net Cash Provided (Used) by Financing Activities		
Payroll Protection Program Loan (Forgiven)	<u>(95,200)</u>	<u>95,200</u>
Net Cash Provided (Used) by Financing Activities	<u>(95,200)</u>	<u>95,200</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(117,502)</u>	<u>643,044</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,138,273</u>	<u>495,229</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,020,771</u>	<u>\$ 1,138,273</u>

**TEEN HEALTH MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities - Teen Health Mississippi (THMS) is a Mississippi non-profit corporation whose mission is to ensure that all Mississippi teenagers have access to high-quality sex education and youth-friendly healthcare services. The mission is accomplished by providing resources and training to build the capacity of youth-serving adults, advocating for high-quality sex education and implementing initiatives to empower teens with the knowledge, skills, and resources to make informed decisions about their sexual health. THMS was founded in 2017 within Mississippi First, another Mississippi non-profit corporation. THMS started to receive support from grantors in late 2018. Effective January 1, 2019, THMS became a standalone organization with offices in Jackson, Mississippi and Clarksdale, Mississippi. THMS is supported primarily through grants, service contracts, sponsorships and individual donations.

A. Basis of Accounting

The financial statements of THMS have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles

B. Financial Statement Presentation

Financial statement presentation follows the recommendation of the *Financial Accounting Standards Codification (FASB) ASC 958, Not-For-Profit Entities*. Under *FASB ASC 958*, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

A description of each net asset group is as follows:

Without Donor Restrictions - Includes net assets whose use is not restricted by donors, even though their use may be restricted by board designation. Donor restricted contributions where restrictions are met within the same period are reported as contributions without donor restrictions.

With Donor Restrictions - Includes net assets that include donor restrictions. The restrictions may be temporary in nature, such as those that will be met with the passage of time or the fulfillment of a donor stated purpose. Other restrictions may result in the donor specifying that the corpus of their original gift be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has lapsed or stipulated purpose has been fulfilled.

C. Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Restricted cash presented on the statement of financial position represents agency funds held on behalf of another non-profit organization.

**TEEN HEALTH MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Cash and Cash Equivalents (Continued:)

The following table provides a reconciliation of cash and cash equivalents as well as restricted cash reported on the statement of financial position to total cash and cash equivalents reported in the statement of cash flows:

	2021	2020
Cash and Cash Equivalents	\$ 216,176	\$ 54,562
Cash and Cash Equivalents - Restricted	<u>804,595</u>	<u>1,083,711</u>
Total Cash and Cash Equivalents, Statements of Cash Flows	<u><u>\$ 1,020,771</u></u>	<u><u>\$ 1,138,273</u></u>

D. Promises To Give

Unconditional promises to give are recognized when the donor makes a promise to give that is, in substance, unconditional. The promises are presented at the present value of future cash flows. THMS uses the allowance method to determine uncollectable promises to give whereby the donor's history and management's analysis of the promises made are considered. At June 30, 2021 and 2020 all promises to give were deemed collectable.

E. Revenue

Contributions received from grants and individual donations are recorded as increases in net assets without donor restrictions or with donor restrictions, depending upon the existence of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction lapses or a purpose restriction is fulfilled), net assets with donor restrictions are reclassified to net assets without donor restrictions on the statement of activities as net assets released from restriction.

F. Depreciation

THMS capitalizes all assets purchased and/or donated with a fair value in excess of \$500. Property and equipment is stated at cost or, if donated, at fair market value at the date of donation. Depreciation expense for the year ended June 30, 2021 and 2020 was respectively. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation as follows:

Furniture & Fixtures	10 Years
Equipment	5 Years

**TEEN HEALTH MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Cost Allocation

The cost of providing the various programs and activities has been summarized on the statement of functional expenses. Expenses directly attributable to specific programs or supporting service areas are recorded as expenses in those areas. Indirect costs that support more than one program or supporting service area are allocated based on the program or supporting service area benefited. Compensation and certain office expenses were allocated based upon management's estimate of time devoted to each program or supporting service area by staff and consultants.

H. Income Taxes

THMS operates as a tax exempt organization under Internal Revenue Code Section 501(c)(3). Accounting rules prescribe when to recognize and how to measure the financial statement effect, if any, of income tax positions taken or expected to be taken on income tax returns including the position that THMS continues to qualify as a tax exempt organization. Management evaluates the likelihood that, upon examination by relevant taxing jurisdictions, those income tax positions would be sustained.

Based on that evaluation, if it were more than 50% probable that a material amount of income tax would be imposed on THMS upon examination by the relevant taxing authorities, a liability would be recognized in the statements of financial position along with any interest and penalties that would result from that assessment. Should any penalties and interest be incurred, THMS's policy would be to recognize them as operating expenses. Based on management's evaluation, no liabilities or penalties and interest are required to be recorded for uncertain tax positions. The years ended June 30, 2021, 2020, 2019 and 2018 are subject to examination by the Internal Revenue Service and Mississippi Department of Revenue.

I. 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

**TEEN HEALTH MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS**

2. PROMISES TO GIVE

	2021	2020
Promises to give:		
Programs and Initiatives	\$ 44,907	\$ 31,762
Programs and Initiative or Training	-	87,868
Training	<u>64,591</u>	<u>-</u>
	<u>\$ 109,498</u>	<u>\$ 119,630</u>

Payments On Promises To Give Are Expected To Be Received As Follows:

Less Than One Year	<u>\$ 109,498</u>	<u>\$ 119,630</u>
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Since all promises are expected to be received within one year, no discounting is required to calculate the present value of estimated future cash flows.

3. PROPERTY AND EQUIPMENT

A summary of property and equipment at June 30, 2021 and 2020 is as follows:

	2021	2020
Furniture and Fixtures	\$ 2,424	\$ 2,424
Equipment	45,660	43,730
Less: Accumulated Depreciation	<u>(17,573)</u>	<u>(8,857)</u>
Net Property and Equipment	<u>\$ 30,511</u>	<u>\$ 37,297</u>

4. LONG TERM DEBT

At June 30, 2020, long-term debt consisted of a \$95,200 loan from the Small Business Administration. Current Small Business Administration guidelines allow for loan forgiveness provided loan proceeds were used for qualified expenses. The Organization received notification from the Small Business Administration that the loan was forgiven effective August 13, 2021.

5 NET ASSETS WITH DONOR RESTRICTIONS

Net Assets With Donor Restrictions consisted of the following at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
General Support	\$ 403,639	\$ 461,295
Programs and Initiatives	320,333	\$ 257,840
Training	78,891	175,461
Policy and Advocacy	-	33,852
Programs and Initiatives or Training	<u>1,732</u>	<u>170,540</u>
	<u>\$ 804,595</u>	<u>\$ 1,098,988</u>

**TEEN HEALTH MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS**

6. RETIREMENT

THMS has established a Simplified Employee Pension (SEP) plan for their employees. Contributions are made to an Individual Retirement Account (IRA) set up for each plan participant that is full-time and that has completed a 30 day orientation period. The current contribution rate is seven percent. Contributions made for the year ended June 30, 2021 and 2020 were \$35,713 and \$33,916, respectively.

7. OPERATING LEASE COMMITMENTS

THMS has entered into a lease for office space for locations in Jackson and Clarksdale, Mississippi. Rental expense for the years ended June 30, 2021 and 2020 were \$45,999 and \$27,816, respectively.

As of the end of the fiscal year, both the Jackson and Clarksdale leases are on a monthly commitment of \$2,830 and \$900 respectively.

8. CONCENTRATIONS

THMS maintains cash in local banks which at times, exceed federally insured limits. At June 30, 2021 and 2020, THMS had \$770,224 and \$886,407, respectively, in excess of federally insured limits deposited in local banks. THMS has not experienced any loss in such accounts.

9. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

	<u>2021</u>	<u>2020</u>
Cash and Cash Equivalents	\$ 1,020,771	\$ 1,138,273
Unconditional Promises To Give	109,498	119,630
Less Net Assets With Donor Restrictions	<u>(804,595)</u>	<u>(1,098,988)</u>
Financial Assets Available To Meet Cash Needs For General Expenditures Within One Year	<u>\$ 327,695</u>	<u>\$ 160,935</u>

As part of THMS'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.

10. NEW ACCOUNTING PRONOUNCEMENT

In June 2018, FASB issued ASU 2018-08, Clarifying the Scope and The Accounting Guidance for Contributions Received and Contributions Made to assist not-for-profit organizations to implement ASC Topic 606. The application of this standard is to be made on a prospective basis. Management has evaluated the requirements of the update, which generally require not-for-profit organizations to determine whether revenue is a contribution or an exchange transaction. Exchange transactions are covered by ASC Topic 606, which was effective for THMS's June 30, 2021 fiscal year. Contributions continued to be covered by ASC Topic 958. ASU 2018-08 had no material effect on THMS's financial statements as management has determined all revenue to be contributions.

**TEEN HEALTH MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS**

11. SUBSEQUENT EVENTS

Subsequent events were evaluated through March 7, 2022 which is the date the financial statements were available to be issued.