

Teen Pregnancy Prevention, Inc.

Financial Statements
December 31, 2010 and 2009

Teen Pregnancy Prevention, Inc.

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Independent Auditor's Report

To the Board of Directors
Teen Pregnancy Prevention, Inc.
Gainesville, Georgia

We have audited the accompanying statements of financial position of Teen Pregnancy Prevention, Inc., a nonprofit organization, as of December 31, 2010 and 2009, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Teen Pregnancy Prevention, Inc. as of December 31, 2010 and 2009, and the results of its activities and the changes in its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Blair C. Diaz, CPA, PC

BLAIR C. DIAZ, CPA, PC
May 5, 2011

TEEN PREGNANCY PREVENTION, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2010 and 2009

ASSETS

	2010	2009
Current assets:		
Cash and cash equivalents	\$ 31,856	\$ 35,092
Prepaid insurance	3,284	3,718
Accounts receivable	2,403	2,074
Total current assets	37,543	40,884
Noncurrent assets:		
Office furniture and equipment	18,433	18,433
Program equipment	8,213	8,213
Accumulated depreciation	(23,118)	(20,790)
Total noncurrent assets	3,528	5,856
TOTAL ASSETS	\$ 41,071	\$ 46,740

LIABILITIES AND NET ASSETS

Current liabilities:		
Payroll taxes payable	\$ -	\$ 2,043
Total current liabilities	-	2,043
Unrestricted net assets	41,071	44,697
Temporarily restricted net assets	-	-
Permanently restricted net assets	-	-
Total Net Assets	41,071	44,697
TOTAL LIABILITIES AND NET ASSETS	\$ 41,071	\$ 46,740

TEEN PREGNANCY PREVENTION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2009)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u> <u>2010</u>	<u>2009</u>
Support and Revenue:					
Government grants	\$ 54,638	\$ -	\$ -	\$ 54,638	\$ 32,123
Hall county schools contract	-	-	-	-	6,000
Individual contributions	8,198	-	-	8,198	4,494
Church contributions	5,675	-	-	5,675	4,707
Civic clubs contributions	4,000	-	-	4,000	4,000
United Way funding	51,000	-	-	51,000	50,113
United Way middle school grant	-	-	-	-	7,600
Foundations & trusts contributions	11,000	-	-	11,000	16,000
Fundraising income	19,079	-	-	19,079	21,356
Investment income	156	-	-	156	665
Other income	511	-	-	511	1,066
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Support and Revenue	154,257	-	-	154,257	147,293
Expenses and Losses:					
Program expenses	136,579	-	-	136,579	131,318
Management and general expenses	11,615	-	-	11,615	15,065
Fundraising expenses	9,689	-	-	9,689	10,271
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses and Losses	157,883	-	-	157,883	156,654
Increase (Decrease) in Net Assets	(3,626)	-	-	(3,626)	(9,361)
Net Assets at the Beginning of the Year	44,697	-	-	44,697	54,058
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net Assets at the End of the Year	\$ 41,071	\$ -	\$ -	\$ 41,071	\$ 44,697

**TEEN PREGNANCY PREVENTION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2009</u>
Support and Revenue:				
Government grants	\$ 31,292	\$ -	\$ -	\$ 31,292
Hall county schools contract	6,000	-	-	6,000
Individual contributions	4,494	-	-	4,494
Church contributions	4,707	-	-	4,707
Civic clubs contributions	4,000	-	-	4,000
United Way funding	50,113	-	-	50,113
United Way middle school grant	7,600	-	-	7,600
Foundations & trusts contributions	16,000	-	-	16,000
Fundraising income	21,356	-	-	21,356
Investment income	665	-	-	665
Other income	1,066	-	-	1,066
	<hr/>	<hr/>	<hr/>	<hr/>
Total Support and Revenue	147,293	-	-	147,293
Expenses and Losses:				
Program expenses	131,318	-	-	131,318
Management and general expenses	15,065	-	-	15,065
Fundraising expenses	10,271	-	-	10,271
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses and Losses	156,654	-	-	156,654
Increase (Decrease) in Net Assets	(9,361)	-	-	(9,361)
Net Assets at the Beginning of the Year	54,058	-	-	54,058
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Net Assets at the End of the Year	\$ 44,697	\$ -	\$ -	\$ 44,697
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TEEN PREGNANCY PREVENTION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities:		
Decrease in net assets	\$ (3,626)	\$ (9,361)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation expense	2,328	2,595
(Increase) decrease in current assets:		
Prepaid insurance	434	140
Accounts receivable	(329)	(580)
Increase (decrease) in current liabilities:		
Payroll taxes payable	<u>(2,043)</u>	<u>2,043</u>
Total adjustments to reconcile change in net assets to net cash used by operating activities	<u>390</u>	<u>4,198</u>
Net cash provided by operating activities	<u>(3,236)</u>	<u>(5,163)</u>
Cash flows from investing activities:		
Donation of office equipment	-	-
Acquisitions of office equipment	<u>-</u>	<u>(3,387)</u>
Net cash used by investing activities	<u>-</u>	<u>(3,387)</u>
Cash flows from financing activities	<u>-</u>	<u>-</u>
Net cash provided (used) by financing activities	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	(3,236)	(8,550)
Cash and cash equivalents, beginning of year	<u>35,092</u>	<u>43,642</u>
Cash and cash equivalents, end of year	<u>\$ 31,856</u>	<u>\$ 35,092</u>

TEEN PREGNANCY PREVENTION, INC.
 STATEMENT OF FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED DECEMBER 31, 2010
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2009)

	SmartGirls / WiseGuys	Preg & Parenting	Classroom- Based Educ.	Total Program Expenses
Salaries & Wages	\$ 47,751	\$ 42,378	\$ 13,180	\$ 103,309
Employee Benefits - Health Ins.	2,500	2,372	898	5,770
Payroll Taxes	4,100	3,710	1,171	8,981
Travel/Mileage	485	485	486	1,456
Continuing Education	89	90	90	269
Smart Girls/ Wise Guys	551	-	-	551
P&P Support Groups	-	866	-	866
Kids on the Block and BTIO	-	-	321	321
100 Women	-	-	-	-
Accounting	-	-	-	-
Bank/Credit Card Charges	-	-	-	-
Community Forum	212	213	213	638
Depreciation	978	885	279	2,142
Dues and Subscriptions	-	-	-	-
Fundraising Expense - FFT	-	-	-	-
Insurance Workers Comp	529	479	151	1,159
Insurance Gen Liab and Property	634	634	634	1,902
Licenses and Fees	-	-	-	-
Office Expense	763	690	218	1,671
Postage & Freight	123	111	35	269
Rent & Utilities	2,665	2,412	764	5,841
Telephone & Internet	655	592	187	1,434
Volunteer Expenses	-	-	-	-
	\$ 62,035	\$ 55,917	\$ 18,627	\$ 136,579

TEEN PREGNANCY PREVENTION, INC.
 STATEMENT OF FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED DECEMBER 31, 2010
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2009)

		Supporting Expenses			
Mngmt & General	Fundraising	Total Supporting Expenses		Grand Totals	
				2010	2009
\$ 2,929	\$ 5,592	\$ 8,521		\$ 111,830	\$ 109,548
321	321	642		6,412	5,513
293	488	781		9,762	9,395
-	-	-		1,456	1,927
-	-	-		269	300
-	-	-		551	570
-	-	-		866	192
-	-	-		321	587
-	530	530		530	-
5,000	-	5,000		5,000	5,175
40	-	40		40	-
70	116	186		638	-
-	-	-		2,328	2,595
-	1,846	1,846		-	66
38	63	101		1,846	3,189
1,649	-	1,649		1,260	1,145
50	-	50		3,551	3,795
54	91	145		50	-
9	15	24		1,816	1,554
191	318	509		293	91
47	78	125		6,350	8,295
924	231	1,155		1,559	1,559
\$ 11,615	\$ 9,689	\$ 21,304		1,155	1,158
				\$ 157,883	\$ 156,654

**TEEN PREGNANCY PREVENTION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	PROGRAM EXPENSES			
	SmartGirls / WiseGuys	Preg & Parenting	Classroom- Based Educ.	Total Program Expenses
Salaries & Wages	\$ 42,724	\$ 40,533	\$ 15,337	\$ 98,594
Employee Benefits - Health Ins.	2,150	2,039	772	4,961
Payroll Taxes	3,664	3,476	1,315	8,455
Travel/Mileage	752	713	270	1,735
Continuing Education	100	100	100	300
Smart Girls/ Wise Guys	570	-	-	570
P&P Support Groups	-	192	-	192
Kids on the Block and BTIO	-	-	587	587
Accounting	-	-	-	-
Depreciation	1,012	960	363	2,335
Dues and Subscriptions	22	22	22	66
Fundraising Expense - FFT	-	-	-	-
Insurance Workers Comp	447	424	160	1,031
Insurance Gen Liab and Property	715	715	715	2,145
Office Expense	605	575	218	1,398
Postage & Freight	35	33	13	81
Rent & Utilities	3,235	3,069	1,161	7,465
Telephone & Internet	608	577	218	1,403
Volunteer Expenses	-	-	-	-
	\$ 56,639	\$ 53,428	\$ 21,251	\$ 131,318

**TEEN PREGNANCY PREVENTION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2009**

SUPPORTING EXPENSES			
Mngmt & General	Fundraising	Total Supporting Expenses	Total
\$ 5,477	\$ 5,477	\$ 10,954	\$ 109,548
276	276	552	5,513
470	470	940	9,395
96	96	192	1,927
-	-	-	300
-	-	-	570
-	-	-	192
-	-	-	587
5,175	-	5,175	5,175
130	130	260	2,595
-	-	-	66
-	3,189	3,189	3,189
57	57	114	1,145
1,650	-	1,650	3,795
78	78	156	1,554
5	5	10	91
415	415	830	8,295
78	78	156	1,559
1,158	-	1,158	1,158
<u>\$ 15,065</u>	<u>\$ 10,271</u>	<u>\$ 25,336</u>	<u>\$ 156,654</u>

**TEEN PREGNANCY PREVENTION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

NOTE 1 – NATURE OF OPERATIONS

Teen Pregnancy Prevention, Inc. is a nonprofit organization working to address the issue of teenage pregnancy by providing 1) abstinence-based prevention programs that encourage young persons to postpone sexual involvement, 2) counseling and support services to those teens and families already experiencing an unplanned pregnancy, and 3) ongoing community education and awareness programs. The organization receives support from the United Way and other groups and foundations, through contracts with school systems, and through individual donations and annual fundraisers.

DESCRIPTION OF PROGRAMS

SmartGirls/WiseGuys – This program was implemented in response to numerous requests from middle and high school counselors who were alarmed at the pregnancy rate of incoming freshman girls. These small group style sessions are designed to promote abstinence and to address the issues of appropriate and inappropriate sexual behavior, the consequences of early sexual involvement (including pregnancy and STD's), decision-making and life-skills training.

During 2010, Teen Pregnancy Prevention, Inc. conducted 300 sessions and served 251 participants in the SmartGirls program and they conducted no sessions of the WiseGuy program during 2010 due to the fact that there were no participants.

During 2009, Teen Pregnancy Prevention, Inc. conducted 298 sessions and served 278 participants in the SmartGirls program and they conducted 25 sessions of the WiseGuy program serving 40 participants.

Pregnant & Parenting Support & Education – This is a weekly support group for middle and high school girls who are pregnant or already have children. These groups are designed to encourage the students to complete high school, reduce subsequent pregnancies, ensure healthy pregnancies and babies, improve parenting skills and reduce early childhood abuse.

During 2010, Teen Pregnancy Prevention, Inc. conducted 200 sessions and served 140 participants in the Pregnant & Parenting Support and Education program.

During 2009, Teen Pregnancy Prevention, Inc. conducted 168 sessions and served 152 participants in the Pregnant & Parenting Support and Education program.

Classroom Based Education – Kids on the Block – This program is a puppet drama for sixth graders that encourages kids to ask questions after watching a skit put on about a common, real-life dilemma involving teen sex. **Baby Think It Over & Empathy Belly** – This program involves hands-on simulators. The Baby Think it Over simulation dolls are circulated in the schools. The “babies” require care-giving and the “parent’s” efforts are recorded for teacher review. The Empathy Belly is designed to imitate an end-term pregnancy and the physiological changes the body undergoes during pregnancy. Most importantly, these programs stimulate conversation about sex and sexuality.

**TEEN PREGNANCY PREVENTION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

NOTE 1 – NATURE OF OPERATIONS (continued)

DESCRIPTION OF PROGRAMS CONTINUED

During 2010, Teen Pregnancy Prevention, Inc. conducted 12 sessions of the Kids on the Block Program, serving 1,952 participants. There were 25 participants in the Baby Think it Over program during 2010.

During 2009, Teen Pregnancy Prevention, Inc. conducted 13 sessions of the Kids on the Block Program, serving 1,906 participants. There were 32 participants in the Baby Think it Over program during 2009.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements of the organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. The significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

BASIS OF PRESENTATION

The organization reports information regarding its financial position and activities according to three classes of net assets, as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the organization. Generally, the donors of these assets permit the organization to use all or part of the income earned on any related investments for general or specific purposes.

Contributions with donor-imposed restrictions that will be met in the same reporting period are recorded as unrestricted support.

TEEN PREGNANCY PREVENTION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(continued)

BASIS OF PRESENTATION (CONTINUED)

CONTRIBUTIONS

Contributions are recognized as revenue when they are received or unconditionally pledged. Contributions with donor-imposed conditions are recorded as liabilities (not support) in the year made. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Also, contributions received with donor-imposed restrictions that will be met in the same reporting period are reported as unrestricted support. Amounts received that are designated for future periods or restricted by the donor for specific purposes that will not be met in the same reporting period are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

CONTRIBUTED ASSETS AND SERVICES

Noncash donations are recorded as contributions at their estimated fair values at the date of donation. No noncash contributions met the criteria for recognition during 2009 or 2010.

The Organization also receives a substantial amount of services donated by its volunteers in carrying out the organization's mission, as well as some goods and services from volunteers in conjunction with fundraising activities. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under U.S. generally accepted accounting principles.

PROPERTY AND EQUIPMENT

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment that are not donated (i.e. are purchased by the organization) are carried at cost. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets (3 to 7 years).

TEEN PREGNANCY PREVENTION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(continued)

BASIS OF PRESENTATION (CONTINUED)

CASH AND CASH EQUIVALENTS

For financial statement purposes, the organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

ESTIMATES

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

INCOME TAXES

The organization is exempt from Federal income taxes under Section 501(c) (3) of the U.S. Internal Revenue Code. The organization qualifies for the charitable contribution deduction under Section 170 and has been classified as an organization that is not a private foundation under Section 509 (a).

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable is reported at the gross amounts due from a state grant agreement administered by the Department of Family and Children Services for programs conducted prior to year end. There is no allowance for doubtful accounts since all amounts are considered fully collectible under grant agreements.

NOTE 4 –RENTALS UNDER OPERATING LEASES

The organization's leasing operations consist solely of the leasing of office space under an annually renewable operating lease. The lease includes utilities and calls for monthly rent in the amount of \$500 and \$675 for 2010 and 2009 respectively.

NOTE 5 – FUNTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

TEEN PREGNANCY PREVENTION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 6 – SUPPORT CONCENTRATION

Teen Pregnancy Prevention, Inc. receives the majority of its support from two sources: United Way and a State grant administered by the Department of Family and Children Services. Support from these two sources comprised approximately 57% of total support in 2010 and 60% of total support in 2009, as illustrated in the following table:

Source	% of Total Support	
	<u>2010</u>	<u>2009</u>
United Way	33%	39%
State grant	24%	21%
	<u>57%</u>	<u>60%</u>