



**TeenWorks**<sup>™</sup>  
College. Career. Community.

FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT

December 31, 2019 and 2018

# TEENWORKS, INC.

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## *Independent Auditors' Report*

Board of Directors  
TeenWorks, Inc.

We have audited the accompanying financial statements of TeenWorks, Inc., which comprise the statements of financial position as of December 31, 2019 and 2018, 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.

### ***Auditors' 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider 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 TeenWorks, Inc. as of December 31, 2019 and 2018, 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.

## **Emphasis of Matter**

As discussed in Note 1 to the financial statements, in 2019, TeenWorks, Inc. adopted Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* and ASU No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to these matters.

*Katz, Sapper & Miller, LLP*

Indianapolis, Indiana  
July 6, 2020

**TEENWORKS, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2019 and 2018**

**ASSETS**

	<b>2019</b>	<b>2018</b>
<b>CURRENT ASSETS</b>		
Cash	\$ 610,373	\$ 38,251
Grants receivable, net	43,800	207,753
Promises to give, net	65,989	37,300
Promise to give - in-kind rent	79,170	79,170
Accounts receivable		21,841
Prepaid expenses and other assets	21,713	21,841
Total Current Assets	821,045	406,156
 <b>PROPERTY AND EQUIPMENT</b>		
Vehicles	130,181	130,181
Office equipment	91,307	81,971
	221,488	212,152
Less: Accumulated depreciation	151,344	118,705
Total Property and Equipment	70,144	93,447
 <b>PROMISE TO GIVE - IN-KIND RENT, net</b>	596,201	655,700
 <b>TOTAL ASSETS</b>	<b>\$ 1,487,390</b>	<b>\$ 1,155,303</b>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 19,829	\$ 75,850
Accrued payroll	24,326	36,016
Line of credit borrowings		50,000
Total Current Liabilities	44,155	161,866
 <b>NET ASSETS</b>		
Without donor restrictions	594,479	(25,331)
With donor restrictions	848,756	1,018,768
Total Net Assets	1,443,235	993,437
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,487,390</b>	<b>\$ 1,155,303</b>

*See accompanying notes.*

**TEENWORKS, INC.**

**STATEMENTS OF ACTIVITIES**  
**Years Ended December 31, 2019 and 2018**

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>						
Grants	\$ 1,691,476	\$ 377,473	\$ 2,068,949	\$ 1,697,906	\$ 747,608	\$ 2,445,514
Contributions	102,226		102,226	32,465		32,465
In-kind contributions		19,671	19,671	21,789	21,405	43,194
Other revenue	43,940		43,940	7,266		7,266
	<u>1,837,642</u>	<u>397,144</u>	<u>2,234,786</u>	<u>1,759,426</u>	<u>769,013</u>	<u>2,528,439</u>
Special event revenue	65,040		65,040			
Less: Direct donor benefits	(3,507)		(3,507)			
Net special events revenue	<u>61,533</u>		<u>61,533</u>			
Net assets released from restrictions	567,156	(567,156)		707,880	(707,880)	
Total Support and Revenue	<u>2,466,331</u>	<u>(170,012)</u>	<u>2,296,319</u>	<u>2,467,306</u>	<u>61,133</u>	<u>2,528,439</u>
<b>EXPENSES</b>						
Program services	1,404,509		1,404,509	2,403,143		2,403,143
Management and general	285,580		285,580	415,576		415,576
Fundraising	156,432		156,432	206,435		206,435
Total Expenses	<u>1,846,521</u>		<u>1,846,521</u>	<u>3,025,154</u>		<u>3,025,154</u>
Increase (Decrease) in Net Assets	619,810	(170,012)	449,798	(557,848)	61,133	(496,715)
<b>NET ASSETS</b>						
Beginning of Year	(25,331)	1,018,768	993,437	532,517	957,635	1,490,152
End of Year	<u>\$ 594,479</u>	<u>\$ 848,756</u>	<u>\$ 1,443,235</u>	<u>\$ (25,331)</u>	<u>\$ 1,018,768</u>	<u>\$ 993,437</u>

See accompanying notes.

TEENWORKS, INC.

STATEMENTS OF FUNCTIONAL EXPENSES  
Years Ended December 31, 2019 and 2018

	2019				2018				
	Program Services	Management and General	Fundraising	Direct Benefits to Donors	Total	Program Services	Management and General	Fundraising	Total
Salaries and wages	\$ 870,131	\$ 92,369	\$ 103,029		\$ 1,065,529	\$ 1,535,933	\$ 132,411	\$ 115,970	\$ 1,784,314
Employee benefits and payroll taxes	144,578	17,274	19,267		181,119	294,674	85,108	12,786	392,568
Total salaries, wages and related expenses	<u>1,014,709</u>	<u>109,643</u>	<u>122,296</u>		<u>1,246,648</u>	<u>1,830,607</u>	<u>217,519</u>	<u>128,756</u>	<u>2,176,882</u>
Professional fees	43,512	132,649	11,245		187,406	31,198	88,110	30,271	149,579
Transportation	58,757	281			59,038	136,459	703		137,162
Advertising and promotion	44	740	1,246		2,030		23,824		23,824
Meals, supplies, and materials	93,465	3,045	792	\$ 3,507	100,809	212,904	17,734	2,336	232,974
Telephone	3,577	359	459		4,395	7,776	1,780	500	10,056
Travel and meetings	17,586	2,669	308		20,563	8,982	4,413	895	14,290
Training	620	220	1,763		2,603	2,004	8,893	6,001	16,898
Insurance	43,122	5,640	3,966		52,728	48,149	15,676	2,781	66,606
In-kind rent expense	64,919	7,125	7,125		79,169	56,738	14,703	7,917	79,358
Depreciation expense	26,764	2,938	2,938		32,640	33,579	2,149	1,157	36,885
Other expenses	<u>37,434</u>	<u>20,271</u>	<u>4,294</u>		<u>61,999</u>	<u>34,747</u>	<u>20,072</u>	<u>25,821</u>	<u>80,640</u>
<b>TOTAL EXPENSES BY FUNCTION</b>	<u>1,404,509</u>	<u>285,580</u>	<u>156,432</u>	<u>3,507</u>	<u>1,850,028</u>	<u>2,403,143</u>	<u>415,576</u>	<u>206,435</u>	<u>3,025,154</u>
Less: Expenses included with revenue and support on the statement of activities:									
Cost of direct benefits to donors				(3,507)	(3,507)				
<b>TOTAL EXPENSES</b>	<u>\$1,404,509</u>	<u>\$ 285,580</u>	<u>\$ 156,432</u>	<u>\$ -</u>	<u>\$1,846,521</u>	<u>\$2,403,143</u>	<u>\$ 415,576</u>	<u>\$ 206,435</u>	<u>\$3,025,154</u>

See accompanying notes.

**TEENWORKS, INC.**  
**STATEMENTS OF CASH FLOWS**  
**Years Ended December 31, 2019 and 2018**

	<b>2019</b>	<b>2018</b>
<b>OPERATING ACTIVITIES</b>		
Increase (decrease) in net assets	\$ 449,798	\$(496,715)
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation	32,640	36,885
(Increase) decrease in certain assets:		
Grants receivable	163,953	(49,163)
Promises to give	(28,689)	(22,600)
Promise to give - in-kind rent	59,499	57,765
Accounts receivable	21,841	(21,841)
Prepaid expenses and other assets	128	(4,539)
Increase (decrease) in certain liabilities:		
Accounts payable	(56,021)	7,523
Accrued payroll	(11,690)	(3,997)
Net Cash Provided (Used) by Operating Activities	<u>631,459</u>	<u>(496,682)</u>
<b>INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(9,337)	(683)
Net Cash Used by Investing Activities	<u>(9,337)</u>	<u>(683)</u>
<b>FINANCING ACTIVITIES</b>		
Borrowings from (payments on) line of credit	(50,000)	50,000
Net Cash Provided (Used) by Financing Activities	<u>(50,000)</u>	<u>50,000</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	572,122	(447,365)
<b>CASH</b>		
Beginning of Year	<u>38,251</u>	<u>485,616</u>
End of Year	<u>\$ 610,373</u>	<u>\$ 38,251</u>
<b>SUPPLEMENTAL DISCLOSURES</b>		
Noncash operating activities:		
In-kind rental contribution	\$ 19,671	\$ 21,405
In-kind goods and other contribution		21,789
In-kind rental expense	79,170	79,170

See accompanying notes.



# TEENWORKS, INC.

## NOTES TO FINANCIAL STATEMENTS December 31, 2019 and 2018

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**General:** TeenWorks, Inc. (TeenWorks) is an Indiana not-for-profit corporation which was formed in 2013. TeenWorks' mission is to empower teens to achieve excellence in college, career, and community. TeenWorks' programs offer teens free post-secondary success planning and services, summer and year-round employment opportunities, career and college preparatory services, mentoring experiences and scholarships. TeenWorks' primary sources of revenue are foundation, governmental and corporate grants and donor contributions.

**New Accounting Pronouncements:** On January 1, 2019, TeenWorks adopted Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, and the related amendments with the same effective date (together, ASC 606) as prescribed by the Financial Accounting Standards Board (FASB) using the modified retrospective method of adoption. The core principle of ASC 606 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The adoption of ASC 606 did not have a significant impact on TeenWorks' revenue recognition, financial position, results of operations or cash flows. Therefore, no cumulative-effect adjustment to net assets as of January 1, 2019 was required upon adoption.

Also on January 1, 2019, TeenWorks adopted ASU No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (ASU No. 2018-08)*. ASU No. 2018-08 was prescribed by the FASB and clarifies and improves the scope and accounting guidance for contributions received and contributions made by providing guidance on whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of ASC 958, *Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance and whether a contribution is conditional. ASU No. 2018-08 has been applied using a modified prospective basis in the 2019 financial statements by which ASU No. 2018-08 was applied for agreements that were either not completed as of December 31, 2018 or entered into after December 31, 2018. Therefore, no prior period results were restated and there was no cumulative-effect adjustment to net assets as of January 1, 2019. The adoption of ASU No. 2018-08 did not have a significant impact to the financial statements.

**Basis of Presentation:** The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, which require TeenWorks to report information regarding its financial position and activities according to the following net asset classifications:

- **Net Assets Without Donor Restrictions** are not subject to donor-imposed restrictions and may be used at the discretion of TeenWorks' management and Board of Directors.
- **Net Assets With Donor Restrictions** are subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of TeenWorks 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. TeenWorks had no net assets with donor restrictions that were perpetual in nature at December 31, 2019 and 2018.

Donor-restricted contributions are reported as increases in net assets with donor restrictions, and when a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities. Restrictions expire when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Estimates:** The preparation of financial statements in accordance 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, the disclosure of contingent assets and liabilities, and the reported amounts of revenue and expenses. Actual results could differ from those estimates.

**Cash:** TeenWorks maintains its cash in bank deposit accounts which, at times, may exceed the federally insured limits. TeenWorks has not experienced any losses from its bank accounts.

**Promises to Give and Grants Receivable:** Unconditional promises to give and grants receivable expected to be collected within one year are recorded at net realizable value. Amounts expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on these amounts are computed using risk-adjusted rates applicable in the years in which those promises are received. Amortization of the discounts is included in contributions and grants in the statements of activities. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Promises to give and grants receivable are reviewed for collectability and a provision for doubtful accounts is recorded based on management's judgment and analysis of the creditworthiness of the donors and grantors, historical experience, economic conditions, and other relevant factors. Management has recorded an allowance of \$18,981 at December 31, 2019. Management determined that no allowance was necessary at December 31, and 2018.

**Accounts Receivable** represent amounts due for contracted program services provided. Accounts receivable are reviewed regularly for collectability and an allowance for doubtful accounts receivable is recorded, if necessary, based on management's judgement and analysis of the creditworthiness of the creditors, historical experience, economic conditions, and other relevant factors. Accounts receivable are written off against the allowance when deemed uncollectible. Management determined that no allowance was necessary at December 31, 2019 and 2018.

**Property and Equipment:** Expenditures for property and equipment are stated at cost for purchased assets, or at fair value at the date of donation for donated assets, less accumulated depreciation. Depreciation of property and equipment is provided on a straight-line basis over the estimated useful lives of five to ten years.

TeenWorks' property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by comparison of the carrying amount to future net undiscounted cash flows expected to be generated by the related asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount exceeds the fair market value of the assets. No adjustments to the carrying amount of property and equipment were required in 2019 and 2018.

**Contributions and Grants** are recognized as support when they are received or unconditionally promised. Grants and contracts are classified as contributions in instances in which a resource provider is not itself receiving commensurate value for the resources provided. Contributions are considered conditional when the agreement with the resource provider includes a barrier that must be overcome and either a right of return of assets transferred or right of release of a promisor's obligation to transfer assets. Conditional contributions are not recognized as revenue until the conditions are substantially met. The Organization had no outstanding conditional contributions as of December 31, 2019 and 2018.

TeenWorks receives a significant amount of financial assistance from government grants and contracts. Grants and contracts normally provide for the recovery of direct costs. Entitlement to the recovery of the direct costs is conditional upon compliance with the terms and conditions of the grant agreements and with applicable regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance reviews and audits by the grantors. Management believes an adverse material outcome from those reviews and audits is unlikely.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**In-kind Contributions:** Contributions of services, which consisted primarily of discounted or free professional services, are recorded at estimated fair value when received if such services require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not donated. Volunteers contribute significant amounts of time to TeenWorks' activities that do not meet the recognition criteria, and the value of these contributed services is not reflected in the financial statements. Contributions of rent, food, equipment, and other goods are recorded at estimated fair value when pledged or received.

**Special Event Revenue,** including related sponsorship revenue and other contributions, are considered unconditional contributions, except for the portion related to the direct benefit being provided to the donors that is considered an exchange transaction. The contribution portion of the revenue is recognized when received or unconditionally pledged, and the exchange transaction portion of the revenue is recognized when the event occurs.

**Functional Allocation of Expenses:** The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Expenses that can be identified with a specific program or supporting service are allocated directly according to their natural classification. All remaining indirect costs have been allocated to program and supporting services benefited. The expenses that are allocated include the following:

Expense	Method of Allocation
Depreciation	Time and effort
Rent	Time of staff in the office
Salaries, wages, and benefits	Time and effort
Telephone	Time of staff in the office
Insurance	Time and effort

**Income Taxes:** TeenWorks is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the IRC. In addition, TeenWorks has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the IRC. There was no unrelated business income tax for 2019 and 2018.

TeenWorks files U.S. federal and Indiana information tax returns. TeenWorks is no longer subject to U.S. federal and state income tax examinations by tax authorities for years before 2016. Management believes that TeenWorks' income tax filing positions will be sustained on audit and does not anticipate any adjustments that will result in a material change.

**Reclassifications:** Certain amounts in the 2018 financial statements have been reclassified to conform to the presentation of the 2019 financial statements.

**Subsequent Events:** Management has evaluated the financial statements for subsequent events occurring through July 6, 2020, the date the financial statements were available to be issued. See Note 9.

## NOTE 2 - AVAILABLE RESOURCES AND LIQUIDITY

The following reflects TeenWorks' financial assets and liquidity resources available for general expenditure within one year of the statement of financial position date:

	2019	2018
Cash	\$610,373	\$ 38,251
Grants receivable, net	43,800	207,753
Promises to give, net	65,989	37,300
Accounts receivable		21,841
Total Financial Assets Available Within One Year	720,162	305,145

**NOTE 2 - AVAILABLE RESOURCES AND LIQUIDITY (CONTINUED)**

	<b>2019</b>	<b>2018</b>
Line of credit availability	<u>\$250,000</u>	<u>\$200,000</u>
Total Financial Assets and Liquidity Resources Available to Meet General Expenditures Within One Year	<u>\$970,162</u>	<u>\$505,145</u>

TeenWorks maintains all of its liquid assets in an interest-bearing checking account so all such assets are available as its general expenditures, liabilities, and other obligations come due. As described in Note 5, Teenworks also has a committed line of credit in the amount of \$250,000, which it could draw upon in the event of an unanticipated liquidity need.

TeenWorks receives significant contributions restricted by donors and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. For the years ended December 31, 2019 and 2018, restricted contributions of \$173,385 and \$283,897, respectively, were included in financial assets available to meet cash needs for general expenditures within one year.

TeenWorks regularly monitors liquidity required to meet its operating needs and other contractual commitments.

**NOTE 3 - PROMISES TO GIVE AND GRANTS RECEIVABLE**

Promises to give and grants receivable were estimated to be collected as follows as of December 31, 2019 and 2018:

	<b>2019</b>	<b>2018</b>
Within one year	\$ 99,213	\$245,053
In one to five years	<u>30,000</u>	<u>245,053</u>
	129,213	245,053
Unamortized discounts	(443)	
Allowance for uncollectible accounts	<u>(18,981)</u>	<u>          </u>
Total Promises to Give and Grants Receivable, net	<u>\$109,789</u>	<u>\$245,053</u>

The discount rate used for promises to give was 1.5% at December 31, 2019. There was no discount rate used for promises to give at December 31, 2018 as all were due within one year. The promises to give and grants receivable balance consisted of \$62,781 and \$170,000 that was classified as net assets with donor restrictions at December 31, 2019 and 2018, respectively, and \$66,432 and \$75,053 that was classified as net assets without donor restrictions at December 31, 2019 and 2018, respectively.

**NOTE 4 - PROMISE TO GIVE - IN-KIND RENT**

TeenWorks leases office space under a long-term operating lease through August 2029. The lease includes two five-year extension options, subject to approval by TeenWorks and the lessor, subsequent to the initial fifteen-year term. Under the lease, there are no rental payments. Accordingly, TeenWorks recognized the fair value of promised in-kind rent upon the lease commencement. The related discount is amortized over the course of the initial lease term and recognized as in-kind contributions. In-kind rent expense is recognized on the straight-line basis in the amount of \$79,170 per year over the term of the initial lease.

#### NOTE 4 - PROMISE TO GIVE - IN-KIND RENT (CONTINUED)

Promise to give - in-kind rent is classified as net assets with donor restrictions due to time restrictions, and is as follows at December 31, 2019:

Expected to be collected in:	
Less than one year	\$ 9,170
One to five years	395,850
More than five years	<u>90,290</u>
	765,310
Unamortized discounts	<u>(89,939)</u>
Total Promise to Give - In-kind Rent	<u>\$ 75,371</u>

Promise to give - in-kind rent was discounted at 3% at December 31, 2019 and 2018.

#### NOTE 5 - LINE OF CREDIT

TeenWorks has a revolving line of credit for short-term bank borrowings. Interest on these borrowings is computed at the bank's Prime rate plus 0.5% (5.25% at December 31, 2019). The line of credit allows for maximum borrowings of \$250,000 and expires August 28, 2020. There was no outstanding balance at December 31, 2019. At December 31, 2018, the balance outstanding was \$50,000. The line of credit is secured by substantially all assets of TeenWorks.

#### NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31, 2019 and 2018 consisted of the following:

	2019	2018
Subject to expenditure for specified purpose:		
Summer work and Pro programs	\$113,385	\$ 279,398
Promises to give that are not restricted by donors, but which are unavailable for expenditure until due	<u>735,371</u>	<u>739,370</u>
Total Net Assets with Donor Restrictions	<u>\$848,756</u>	<u>\$1,018,768</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by donors as follows for the years ended December 31, 2019 and 2018:

	2019	2018
Satisfaction of purpose restrictions:		
Summer work and Pro programs	\$483,486	\$579,610
Equipment purchases		19,100
Expiration of time restrictions	<u>83,670</u>	<u>109,170</u>
Total Net Assets Released from Restrictions	<u>\$567,156</u>	<u>\$707,880</u>

#### NOTE 7 - RELATED PARTY TRANSACTIONS

TeenWorks is a public charity under section 509(a) as a supporting organization of the Glick Family Housing Foundation (the Housing Foundation), which approves the majority of TeenWorks' board members. There were no transactions with the Housing Foundation during 2019 or 2018.

**NOTE 7 - RELATED PARTY TRANSACTIONS (CONTINUED)**

Certain members of TeenWorks' board are also members of the Glick Family Foundation (the Foundation). The Foundation provides significant support and revenue for TeenWorks' program operations. The Foundation granted approximately \$1,706,000 in 2019 and \$1,587,000 in 2018 to TeenWorks.

TeenWorks recognized contributions from members of its Board of Directors of \$125,200 in 2019 and \$7,100 in 2018.

**NOTE 8 - CONCENTRATIONS**

Grants from the Foundation accounted for 74% and 63% of total support and revenue for the years ended December 31, 2019 and 2018, respectively.

**NOTE 9 - UNCERTAINTY RELATED TO CORONAVIRUS**

On January 30, 2020, the World Health Organization declared a global health emergency over the novel coronavirus known as COVID-19. The COVID-19 outbreak has caused management to reconfigure how Teenworks' programs are conducted. The ultimate impact of the outbreak to TeenWorks' financial results and operations cannot be determined at this time; however, management is taking actions to mitigate the impact of the outbreak to TeenWorks, including shortening the length of their summer programs and moving some programs to a virtual platform.

On April 14, 2020, TeenWorks received a loan of \$120,000 under the Paycheck Protection Program of the CARES Act. The loan bears interest at 1.00% and matures in April 2022. The loan will be fully or partially forgiven if TeenWorks meets certain conditions, including use of the funds for qualifying purposes.