

TEEN FEED

REVIEWED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

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YEARS ENDED JUNE 30, 2022 AND 2021

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors
Teen Feed
Seattle, Washington

We have reviewed the accompanying financial statements of Teen Feed, which comprise the Statements of Financial Position as of June 30, 2022 and 2021, and the related Statements of Activities and Changes in Net Assets, Statements of Functional Expenses, and Statements of Cash Flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Independent Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our report.

Independent Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

The Myers Associates, P.C.

The Myers Associates, P.C.
Certified Public Accountants
Seattle, Washington

June 2, 2023

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STATEMENTS OF FINANCIAL POSITION
JUNE 30,

	2022	2021
Assets		
Cash	\$ 396,706	\$ 380,178
Accounts receivable	5,162	4,640
Prepaid expenses	32	81
Total Current Assets	401,900	384,899
Net fixed assets	41,866	12,443
TOTAL ASSETS	\$ 443,766	\$ 397,342
Liabilities		
Accounts payable	\$ 2,797	\$ 1,978
Payroll-related liabilities	42,145	35,921
Current maturity of Payroll Protection Program loan	-	42,852
Total Current Liabilities	44,942	80,751
Payroll Protection Program loan, net of current portion above	-	44,235
Total Liabilities	44,942	124,986
Net Assets		
Net assets without donor restrictions	398,824	272,356
Total Net Assets	398,824	272,356
TOTAL LIABILITIES AND NET ASSETS	\$ 443,766	\$ 397,342

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STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30,

	2022			2021		
	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>TOTAL</u>	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>TOTAL</u>
Revenue						
Grants and contributions	\$ 715,694	\$ -	\$ 715,694	\$ 541,355	\$ -	\$ 541,355
Payroll Protection Program (PPP) loan forgiveness	78,115	-	78,115	-	-	-
Private contracts	28,463	-	28,463	40,284	-	40,284
Gifts in kind	545,581	-	545,581	531,894	-	531,894
Other revenue	620	-	620	3,866	-	3,866
Total Revenue	<u>1,368,473</u>	<u>-</u>	<u>1,368,473</u>	<u>1,117,399</u>	<u>-</u>	<u>1,117,399</u>
Expenses						
Program services	1,003,603	-	1,003,603	864,729	-	864,729
Management and general	150,579	-	150,579	170,226	-	170,226
Fundraising and development	87,823	-	87,823	105,576	-	105,576
Total Expenses	<u>1,242,005</u>	<u>-</u>	<u>1,242,005</u>	<u>1,140,531</u>	<u>-</u>	<u>1,140,531</u>
CHANGE IN NET ASSETS	126,468	-	126,468	(23,132)	-	(23,132)
NET ASSETS - Beginning of year	<u>272,356</u>	<u>-</u>	<u>272,356</u>	<u>295,488</u>	<u>-</u>	<u>295,488</u>
NET ASSETS - End of year	<u>\$ 398,824</u>	<u>\$ -</u>	<u>\$ 398,824</u>	<u>\$ 272,356</u>	<u>\$ -</u>	<u>\$ 272,356</u>

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STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30,

	2022				2021			
	Program Services	Management and General	Fundraising and Development	TOTAL EXPENSES	Program Services	Management and General	Fundraising and Development	TOTAL EXPENSES
Salaries and wages	\$ 352,774	\$ 55,882	\$ 72,240	\$ 480,896	\$ 233,106	\$ 99,485	\$ 87,241	\$ 419,832
Payroll taxes	40,607	5,943	7,912	54,462	27,176	11,453	9,803	48,432
Total Personnel and Related	393,381	61,825	80,152	535,358	260,282	110,938	97,044	468,264
Professional fees	20,722	16,026	83	36,831	26,705	23,460	1,001	51,166
General office expenses	7,290	7,608	1,452	16,350	4,517	5,131	750	10,398
Information technology	10,197	2,546	907	13,650	4,475	1,557	622	6,654
Occupancy and utilities	20,209	7,041	2,288	29,538	18,103	6,531	2,121	26,755
Meetings and travel	6,949	3,647	1,026	11,622	3,333	5,483	45	8,861
General business expenses	3,881	9,536	1,915	15,332	2,796	2,329	2,442	7,567
Insurance	-	7,099	-	7,099	-	5,588	-	5,588
Depreciation	-	8,851	-	8,851	-	3,110	-	3,110
Direct aid to youth	21,793	-	-	21,793	18,524	199	1,551	20,274
In kind expenses:								
Contributed professional services	7,100	26,400	-	33,500	19,380	5,900	-	25,280
Donated supplies	206,510	-	-	206,510	138,250	-	-	138,250
Donated facilities	305,571	-	-	305,571	368,364	-	-	368,364
TOTAL EXPENSES BY FUNCTION	\$1,003,603	\$ 150,579	\$ 87,823	\$1,242,005	\$ 864,729	\$ 170,226	\$ 105,576	\$1,140,531

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STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30,

	2022	2021
Cash Flows from Operating Activities		
Change in total net assets	\$ 126,468	\$ (23,132)
Adjustments to reconcile change in total net assets to net cash provided by operating activities:		
Payroll Protection Program loan forgiveness	(78,115)	-
Depreciation	8,851	3,110
(Increase) decrease in:		
Accounts receivable	(522)	160
Prepaid expenses	49	1,719
Increase (decrease) in:		
Accounts payable	819	(92)
Payroll-related liabilities	6,224	26,436
Net Cash Provided by Operating Activities	63,774	8,201
Cash Flows from Investing Activities		
Purchase of fixed assets	(38,274)	-
Net Cash Used in Investing Activities	(38,274)	-
Cash Flows from Financing Activities		
Payroll Protection Program loan repayment	(8,972)	-
Net Cash Used in Financing Activities	(8,972)	-
NET INCREASE IN CASH	16,528	8,201
CASH - Beginning of year	380,178	371,977
CASH - End of year	\$ 396,706	\$ 380,178

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NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2022 AND 2021

NOTE A – ENTITY DESCRIPTION

Teen Feed is a Washington nonprofit corporation formed in 1987 to work with the community to offer support to meet basic needs, build strong relationships and connect with homeless youth as they meet their future off the streets.

Teen Feed’s programs operate on the principle that when youth are able to rely on consistent contact with safe and non-judgmental adults, they are better able to take on the challenges of finding safe shelter, a job, or attending to their mental or physical health. Teen Feed is a confidential program which respects the needs for safety and privacy of the young people we serve. We provide meal site schedules to youth in program, during outreach, and at the Teen Feed office. Teen Feed offers three integrated programs.

Teen Feed Meal Program (TFMP): TFMP serves a hot, nutritious meal at various University District meal sites seven days a week. Over a healthy meal, young people connect with specially trained advocates and support coordination staff to access the resources and services they need.

Service Links For Youth (SLY): SLY is a case management program—we call it “Support Coordination”—designed to help youth who are ready to begin the transition to life off the streets. SLY was developed in 1998 after Teen Feed became concerned that many homeless and street-involved youth were not comfortable accessing traditional, agency-based services. Unlike traditional “case management,” SLY was designed as a youth-centered support program that affirms the strengths of each participant as they meet self-identified goals. Our Support Coordinator builds a relationship with each youth to learn what types of resources will help them best succeed. SLY is unique in its focus on meeting youth on the streets and in programs, and it serves a broader range of youth—ages 13 to 25—than most other programs. During the COVID-19 pandemic, case managers have continued to navigate alongside youth toward safe, permanent housing with greater independence.

Street Talk Outreach Program (STOP): STOP is aimed at high-risk youth who avoid traditional social service agencies. Armed with backpacks, warm water, granola and soups, STOP sends out teams of staff and peer outreach workers to meet youth in their own environment—the streets and alleys where they spend most of their time. During the COVID-19 pandemic, combined STOP and outreach programs have made over 9,000 positive contacts with youth on the streets and offered food, socks, referrals to resources, and a relationship with caring adults. Focusing on building a relationship with homeless youth in their environment breaks down the resistance many have to engaging and working with trusting adults. STOP takes it a step further. We provide support coordination services (case management) for homeless youth ages 18-25 who may not be eligible for our SLY program. In support of this work, STOP Peer Youth Internship Program provides youth transitioning out of homelessness with employment experience while supporting their peers. Youth Interns work for 10 hours per week at a rate of \$19.00 per hour for six months of service, assisting on outreach and supporting the Teen Feed meal program. This program enables interns to save funds for rent, providing valuable experience and employment reference while building connections with their peers.

Program service accomplishments, as measured by expenses, for the year ended June 30, 2022:

	<u>TFMP</u>	<u>SLY</u>	<u>STOP</u>	<u>Total</u>
Salaries, wages and payroll taxes	\$ 223,966	\$ 22,006	\$ 147,409	\$ 393,381
Professional fees	198	83	20,441	20,722
General office expenses	2,909	873	3,508	7,290
Information technology	4,918	971	4,308	10,197
Occupancy and utilities	9,003	4,421	6,785	20,209
Meetings and travel	3,928	66	2,955	6,949
General business expenses	3,665	24	192	3,881
Direct aid to youth	11,490	2,532	7,771	21,793
In kind expenses:				
Contributed professional services	3,100	-	4,000	7,100
Donated supplies	143,924	12,729	49,857	206,510
Donated facilities	305,571	-	-	305,571
	<u>\$ 712,672</u>	<u>\$ 43,705</u>	<u>\$ 247,226</u>	<u>\$ 1,003,603</u>

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NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2022 AND 2021

NOTE A – ENTITY DESCRIPTION (Continued)

Program service accomplishments, as measured by expenses, for the year ended June 30, 2021:

	TFMP	SLY	STOP	Total
Salaries, wages and payroll taxes	\$ 166,373	\$ 6,766	\$ 87,143	\$ 260,282
Professional fees	502	251	25,952	26,705
General office expenses	2,323	477	1,717	4,517
Information technology	1,351	745	2,379	4,475
Occupancy and utilities	8,163	3,841	6,099	18,103
Meetings and travel	1,638	-	1,695	3,333
General business expenses	2,779	17	-	2,796
Direct aid to youth	6,968	5,719	5,837	18,524
In kind expenses:				
Contributed professional services	6,120	-	13,260	19,380
Donated supplies	117,010	4,320	16,920	138,250
Donated facilities	368,364	-	-	368,364
	<u>\$ 681,591</u>	<u>\$ 22,136</u>	<u>\$ 161,002</u>	<u>\$ 864,729</u>

You can find out more detailed information about Teen Feed’s programs, events and activities at teenfeed.org.

Financial Impact of Global Pandemic - Food costs, tele-health and internal technological investments, COVID-19 related kitchen and outreach protocols, and basic needs required unbudgeted expenses. Teen Feed provided non-stop continuous service, health navigation, 1:1 personal contact, and backpack outreach throughout the COVID-19 pandemic, maintaining all staff through strong community-funded support.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Standards of Accounting and Financial Reporting - The financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Financial statement presentation conforms to FASB Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Accordingly, Teen Feed reports information about its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Adoption of New Accounting Pronouncements - During the year ended June 30, 2021, Teen Feed adopted FASB Accounting Standards Update (“ASU”) No. 2014-09, *Revenue from Contracts with Customers*, and all subsequent amendments to the ASU (collectively, *Topic 606*), which creates a single framework for recognizing revenue from contracts with customers involving the transfer of goods or services in exchange for consideration. The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP and required expanded disclosures relating to revenue and cash flows arising from contracts with customers. Analysis of various provisions of this standard resulted in no significant changes in the way Teen Feed recognizes earned revenue, and therefore no changes to the previously issued financial statements were required on a retrospective basis.

Income Taxes - Teen Feed is a single legal entity exempt from federal income tax under Internal Revenue Code 501(c)(3).

Concentrations of Credit Risk - Exposure to credit risk is limited to cash balances, which at times exceed the federal insurance limit.

Receivables - Receivables are reported at the amount expected to be collected from outstanding balances. No allowance for doubtful accounts was considered necessary at June 30, 2022 or 2021.

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NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2022 AND 2021

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fixed Assets - Teen Feed records a fixed asset when cost or fair value at date of gift exceeds \$2,500. Depreciation is computed over estimated useful lives ranging from three to fifteen years.

Grants and Contributions - Teen Feed reports contributions as revenue when received or unconditionally granted. Teen Feed does not recognize contribution revenue from grants subject to conditions until the conditions on which they depend are substantially met and the revenue becomes unconditional. Payments received before conditions are substantially met are reported as refundable advances. All donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. The statements of activities and changes in net assets reports fulfilled restrictions as donor restrictions released. As of June 30, 2022 and 2021, there were no conditional grants and no donor-restricted net assets.

Private Contracts - Teen Feed recognizes revenue from private contracts when the services are provided. Payment terms are monthly invoicing and payment.

Functional Allocation of Expenses - The costs of programs and supporting activities have been summarized on a functional basis in the statements of activities and changes in net assets. The statements of functional expenses present the natural classification detail of expenses by function. Certain categories of expenses, which are attributed to more than one program or supporting function, require allocation on a reasonable basis consistently applied. Expenses that have been allocated include occupancy and depreciation, which are allocated on a square footage basis, as well as personnel and related expenses, which are allocated based on estimates of effort devoted to each function.

Use of Estimates - The preparation of financial statements in conformity with U.S. GAAP requires Teen Feed to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from the estimated amounts.

Subsequent Events - Teen Feed evaluated subsequent events through the date these financial statements were available to be issued, which was June 2, 2023. Teen Feed is not aware of any subsequent events that would require recognition or disclosure in these financial statements.

NOTE C – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor restrictions limiting their use, within one year of the statement of financial position date as of June 30:

	<u>2022</u>	<u>2021</u>
Cash	\$ 396,706	\$ 380,178
Receivables	<u>5,162</u>	<u>4,640</u>
Total financial assets available within one year	<u>\$ 401,868</u>	<u>\$ 384,818</u>

NOTE D – FIXED ASSETS

Fixed assets at June 30:

	<u>2022</u>	<u>2021</u>
Equipment	\$ 71,083	\$ 32,809
Capitalized improvements	<u>47,194</u>	<u>47,194</u>
	118,277	80,003
Less accumulated depreciation	<u>(76,411)</u>	<u>(67,560)</u>
Total net fixed assets	<u>\$ 41,866</u>	<u>\$ 12,443</u>

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NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2022 AND 2021

NOTE E – CONTRIBUTIONS

Grant and contribution revenue for the years ended June 30:

	2022	2021
Individual	\$ 111,665	\$ 93,205
Corporation	85,443	81,838
Foundation	466,263	338,250
Faith community	52,323	28,062
Total contributions	\$ 715,694	\$ 541,355

As a percent of total contribution revenue, support from two foundations was 41% in 2022 and support from one foundation was 23% in 2021.

NOTE F – GIFTS IN KIND

Gifts in kind are vital to Teen Feed's activities.

Revenue recognized for gifts in kind during the year ended June 30, 2022:

	Program Services	Management and General	Total
Nursing	\$ 7,100	\$ -	\$ 7,100
Accounting and human resources	-	11,352	11,352
Technology	-	15,048	15,048
Total professional services	7,100	26,400	33,500
Clothing and basic needs	92,630	-	92,630
Food	113,880	-	113,880
Total donated supplies	206,510	-	206,510
Total donated facilities	305,571	-	305,571
Total gifts in kind	\$ 519,181	\$ 26,400	\$ 545,581

Revenue recognized for gifts in kind during the year ended June 30, 2021:

	Program Services	Management and General	Total
Nursing	\$ 19,380	\$ -	\$ 19,380
Accounting	-	5,900	5,900
Total professional services	19,380	5,900	25,280
Clothing and basic needs	73,000	-	73,000
Food	65,250	-	65,250
Total donated supplies	138,250	-	138,250
Total donated facilities	368,364	-	368,364
Total gifts in kind	\$ 525,994	\$ 5,900	\$ 531,894

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NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2022 AND 2021

NOTE F – GIFTS IN KIND (Continued)

The value of contributed professional services is based on information provided by the professional service providers. The value of clothing and basic needs is based on average replacement cost and donated food is determined by the receipt value of purchased meals served in the meal program. The value of donated facilities is based on fair market value per square foot. Teen Feed has site agreements, which are renewable yearly, for three meal locations that comprise its donated facilities. In addition to the gifts in kind disclosed above, Teen Feed receives the benefit of many other volunteer hours, which are not reported in the accompanying financial statements because they do not meet the accounting criteria for recognition. For the years ended June 30, 2022 and 2021, Teen Feed estimates the value of these other volunteer hours, not reported as in kind revenue and expense in the accompanying financial statements, was \$595,149 and \$554,012, respectively.

NOTE G – FORGIVABLE PAYROLL PROTECTION (PPP) LOAN

On April 17, 2020, Teen Feed received a forgivable loan of \$87,087 under the Small Business Administration's Payroll Protection Program (PPP), which was available as part of the relief programs related to the COVID-19 pandemic. Teen Feed accounted for this forgivable loan as a conditional contribution (a financial liability) until September 8, 2021, when notice was received that \$78,115 of its PPP loan and accrued interest was forgiven. At that time, Teen Feed recognized contribution revenue of \$78,115. The remaining principal was paid in full on September 30, 2021.