

**GEORGIA CAMPAIGN FOR ADOLESCENT
POWER & POTENTIAL, INC.**

FINANCIAL REPORT

DECEMBER 31, 2022

GEORGIA CAMPAIGN FOR ADOLESCENT POWER & POTENTIAL, INC.

FINANCIAL REPORT DECEMBER 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Georgia Campaign for Adolescent Power & Potential, Inc.
Atlanta, Georgia

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Georgia Campaign for Adolescent Power & Potential, Inc.** (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years 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 of Georgia Campaign for Adolescent Power & Potential, Inc. as of December 31, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Georgia Campaign for Adolescent Power & Potential, 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 opinions.

Responsibilities of Management 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 the Georgia Campaign for Adolescent Power & Potential, Inc.'s ability 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 is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government 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 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 and *Government 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 Georgia Campaign for Adolescent Power & Potential, Inc.'s 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 the Georgia Campaign for Adolescent Power & Potential, 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the schedule of expenditures for Georgia Department of Human Services contracts are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 24, 2023, on our consideration of Georgia Campaign for Adolescent Power & Potential, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of testing, and not to provide an opinion on the effectiveness of Georgia Campaign for Adolescent Power & Potential, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Georgia Campaign for Adolescent Power & Potential, Inc.'s internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
May 24, 2023

**GEORGIA CAMPAIGN FOR ADOLESCENT
POWER & POTENTIAL, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021**

ASSETS	<u>2022</u>	<u>2021</u>
Current assets:		
Cash	\$ 580,931	\$ 674,396
Cash - with donor restrictions	529,436	225,785
Grants receivable	525,535	521,190
Promises to give	203,088	48,804
Prepaid expenses	17,569	19,682
Other assets	16,966	16,117
Total current assets	<u>1,873,525</u>	<u>1,505,974</u>
Property and equipment	97,836	265,683
Less: accumulated depreciation	<u>85,913</u>	<u>242,679</u>
Net property and equipment	<u>11,923</u>	<u>23,004</u>
Total assets	<u>\$ 1,885,448</u>	<u>\$ 1,528,978</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 303,403	\$ 276,904
Deferred revenue	-	16,599
Deferred lease expense	-	4,797
Total current liabilities	<u>303,403</u>	<u>298,300</u>
Total liabilities	<u>303,403</u>	<u>298,300</u>
Net assets:		
Without donor restrictions	827,609	929,893
With donor restrictions	<u>754,436</u>	<u>300,785</u>
Total net assets	<u>1,582,045</u>	<u>1,230,678</u>
Total liabilities and net assets	<u>\$ 1,885,448</u>	<u>\$ 1,528,978</u>

See Notes to Financial Statements.

**GEORGIA CAMPAIGN FOR ADOLESCENT
POWER & POTENTIAL, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total Net Assets	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
Public support and revenue						
Grants and donations	\$ 2,516,598	\$ 884,750	\$ 3,401,348	\$ 2,665,061	\$ 400,000	\$ 3,065,061
Other	112,626	-	112,626	76,726	-	76,726
Net assets released from restrictions:						
Satisfaction of program restrictions	431,099	(431,099)	-	383,896	(383,896)	-
Total public support and revenue	3,060,323	453,651	3,513,974	3,125,683	16,104	3,141,787
Special events						
Income	1,011,090	-	1,011,090	534,797	-	534,797
Direct expense	371,526	-	371,526	187,897	-	187,897
Total special events, net	639,564	-	639,564	346,900	-	346,900
Expenses						
Programs	2,804,678	-	2,804,678	2,689,813	-	2,689,813
Supporting services						
Fundraising	513,650	-	513,650	409,875	-	409,875
Management and general	483,843	-	483,843	531,142	-	531,142
Total expenses	3,802,171	-	3,802,171	3,630,830	-	3,630,830
Change in net assets	(102,284)	453,651	351,367	(158,247)	16,104	(142,143)
Net assets, beginning of year	929,893	300,785	1,230,678	1,088,140	284,681	1,372,821
Net assets, end of year	\$ 827,609	\$ 754,436	\$ 1,582,045	\$ 929,893	\$ 300,785	\$ 1,230,678

See Notes to Financial Statements.

**GEORGIA CAMPAIGN FOR ADOLESCENT
POWER & POTENTIAL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022**

	Programs					Supporting Services		Total all Services	
	Comprehensive Sex Education	Teen Pregnancy Prevention	Parent Engagement	Youth Empowerment	Other Programs	Total Program Services	Fundraising	Management and General	2022
Salaries and wages	\$ 356,203	\$ 412,035	\$ 19,039	\$ 113,421	\$ 151,878	\$ 1,052,576	\$ 178,644	\$ 219,060	\$ 1,450,280
Fringe benefits and payroll taxes	107,993	94,026	8,349	22,429	13,065	245,862	49,807	46,327	341,996
Total compensation and benefits	464,196	506,061	27,388	135,850	164,943	1,298,438	228,451	265,387	1,792,276
Consulting and service contractors	35,952	728,418	-	16,640	71,990	853,000	179,350	66,936	1,099,286
Rent	10,034	8,627	-	3,001	1,688	23,350	3,188	5,345	31,883
Computer software	4,275	12,972	-	1,287	724	19,258	28,938	2,292	50,488
MIS support	11,318	9,731	-	3,385	1,904	26,338	3,596	6,029	35,963
Audit fees	7,144	21,142	-	2,136	-	30,422	2,270	4,168	36,860
Meetings and training	1,331	8,485	-	844	3,659	14,319	15,271	16,468	46,058
Payroll processing fees	7,929	6,818	-	2,371	1,285	18,403	2,519	4,223	25,145
Liability insurance	8,738	7,514	-	2,613	1,470	20,335	2,777	4,656	27,768
Publications and periodicals	63	21,646	-	550	30	22,289	3,137	4,461	29,887
Professional fees	521	6,987	-	640	3,788	11,936	563	7,255	19,754
Internet expense	982	844	-	294	165	2,285	312	5,796	8,393
Depreciation and amortization	3,575	3,074	-	1,069	601	8,319	1,136	1,904	11,359
Telephone and conference calls	4,276	3,677	-	1,279	719	9,951	1,359	2,370	13,680
Website design and maintenance	1,907	2,390	-	570	-	4,867	606	1,016	6,489
Equipment lease	3,468	2,982	-	1,037	583	8,070	1,102	1,848	11,020
Stipends	-	-	-	1,152	700	1,852	155	3,815	5,822
Computer hardware	4,214	-	-	-	-	4,214	-	1,706	5,920
Storage fees	5,155	4,518	-	1,571	1,202	12,446	1,670	2,799	16,915
Dues and subscriptions	1,195	5,822	-	-	150	7,167	431	75	7,673
Bank and credit card charges	-	-	-	-	-	-	-	4,348	4,348
Conference and registration fees	-	-	-	-	-	-	-	2,617	2,617
Entertainment	-	2,500	-	7,515	321	10,336	-	865	11,201
Food and drinks	-	2,855	-	-	2,710	5,565	391	-	5,956
Staff development and appreciation	-	3,733	-	230	2,130	6,093	-	7,925	14,018
Program expense	3,923	8,100	-	(3,400)	35,587	44,210	1,164	3,378	48,752
Program supplies	10,338	153,733	-	3,355	198	167,624	-	-	167,624
Travel expenses	16,853	31,199	-	4,155	12,188	64,395	11,572	35,794	111,761
Facilities and equipment rental	4,648	37,855	-	15,947	308	58,758	17,738	2,318	78,814
Office supplies	6,096	4,611	71	562	1,661	13,001	863	1,662	15,526
Advertising expenses	-	24,507	-	158	-	24,665	3,158	6,502	34,325
Other expenses	518	5,900	-	6,318	36	12,772	1,933	9,885	24,590
	154,453	1,130,640	71	75,279	145,797	1,506,240	285,199	218,456	2,009,895
Total expenses	\$ 618,649	\$ 1,636,701	\$ 27,459	\$ 211,129	\$ 310,740	\$ 2,804,678	\$ 513,650	\$ 483,843	\$ 3,802,171

See Notes to Financial Statements.

**GEORGIA CAMPAIGN FOR ADOLESCENT
POWER & POTENTIAL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021**

	Programs					Supporting Services		Total all Services	
	Comprehensive Sex Education	Teen Pregnancy Prevention	Parent Engagement	Youth Empowerment	Other Programs	Total Program Services	Fundraising	Management and General	2021
Salaries and wages	\$ 338,906	\$ 464,501	\$ 8,602	\$ 77,546	\$ 74,037	\$ 963,592	\$ 208,612	\$ 293,859	\$ 1,466,063
Fringe benefits and payroll taxes	80,316	91,439	2,049	15,193	14,074	203,071	48,363	48,615	300,049
Total compensation and benefits	419,222	555,940	10,651	92,739	88,111	1,166,663	256,975	342,474	1,766,112
Consulting and service contractors	24,101	718,131	100	8,836	67,352	818,520	68,606	30,292	917,418
Rent	40,300	51,542	-	6,208	7,718	105,768	18,456	23,489	147,713
Grantee awards	-	137,000	-	-	-	137,000	-	-	137,000
Computer software	-	27,426	-	-	1,356	28,782	17,658	3,732	50,172
MIS support	9,053	11,578	-	1,395	1,734	23,760	4,146	5,276	33,182
Audit fees	4,748	21,071	-	731	909	27,459	2,174	2,767	32,400
Meetings and training	2,578	679	134	283	942	4,616	8,486	12,280	25,382
Payroll processing fees	6,712	8,584	-	1,034	1,285	17,615	3,074	3,912	24,601
Liability insurance	6,624	8,472	-	1,020	1,269	17,385	3,034	3,861	24,280
Publications and periodicals	-	23,150	-	350	-	23,500	-	490	23,990
Professional fees	60	39	179	707	3,132	4,117	-	12,672	16,789
Internet expense	4,463	5,359	-	780	-	10,602	1,902	2,421	14,925
Depreciation and amortization	4,008	5,125	-	617	768	10,518	1,835	2,336	14,689
Telephone and conference calls	3,833	4,856	-	565	575	9,829	1,679	2,136	13,644
Website design and maintenance	3,631	4,644	-	559	695	9,529	1,663	2,117	13,309
Equipment lease	3,346	4,280	-	515	687	8,828	1,532	1,950	12,310
Bad debt expense	-	-	-	-	-	-	-	11,025	11,025
Stipends	525	5,057	-	3,350	1,830	10,762	-	100	10,862
Computer hardware	-	5,456	-	-	-	5,456	-	2,962	8,418
Storage fees	2,274	2,908	-	350	435	5,967	1,041	1,325	8,333
Dues and subscriptions	1,952	424	120	1,457	-	3,953	-	2,783	6,736
Board meetings and expense	-	-	-	-	-	-	-	5,157	5,157
Bank and credit card charges	-	-	-	-	155	155	75	4,263	4,493
Conference and registration fees	852	510	-	-	-	1,362	-	1,613	2,975
Entertainment	1,975	-	-	-	-	1,975	625	-	2,600
Postage and shipping	890	96	-	35	61	1,082	39	1,436	2,557
Staff development and appreciation	-	23,263	-	-	122	23,385	149	4,581	28,115
Program expense	3,374	6,440	500	500	3,647	14,461	286	4,918	19,665
Program supplies	8,253	115,601	-	3,865	1,132	128,851	-	1,690	130,541
Travel expenses	6,363	9,973	-	1,151	80	17,567	5,479	16,856	39,902
Facilities and equipment rental	-	-	-	2,518	-	2,518	-	1,460	3,978
Office supplies	9,093	6,437	-	156	127	15,813	995	1,148	17,956
Advertising expenses	-	27,788	-	-	3,610	31,398	7,785	11,551	50,734
Other expenses	305	312	-	-	-	617	2,181	6,069	8,867
	149,313	1,236,201	1,033	36,982	99,621	1,523,150	152,900	188,668	1,864,718
Total expenses	\$ 568,535	\$ 1,792,141	\$ 11,684	\$ 129,721	\$ 187,732	\$ 2,689,813	\$ 409,875	\$ 531,142	\$ 3,630,830

See Notes to Financial Statements.

**GEORGIA CAMPAIGN FOR ADOLESCENT
POWER & POTENTIAL, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 351,367	\$ (142,143)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization expense	11,359	14,689
Unrealized loss on investments	-	980
Changes in assets and liabilities:		
(Increase) decrease in grants receivable	(4,345)	14,152
(Increase) decrease in promises to give	(154,284)	62,721
Decrease in prepaid expenses	2,113	1,785
(Increase) in other assets	(849)	(2,440)
Increase (decrease) in accounts payable and accrued expenses	26,499	(161,098)
(Decrease) increase in deferred revenue	(16,599)	16,599
(Decrease) in deferred lease expense	(4,797)	(24,279)
Net cash provided by (used in) operating activities	210,464	(219,034)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investments	-	116,879
Net purchases of property and equipment	(278)	(8,248)
Net cash (used in) provided by investing activities	(278)	108,631
Net increase (decrease) in cash	210,186	(110,403)
Cash at beginning of year	900,181	1,010,584
Cash at end of year	\$ 1,110,367	\$ 900,181
Cash at end of year		
Cash	\$ 580,931	\$ 674,396
Cash - with donor restrictions	529,436	225,785
	\$ 1,110,367	\$ 900,181

See Notes to Financial Statements.

GEORGIA CAMPAIGN FOR ADOLESCENT POWER & POTENTIAL, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization:

The Georgia Campaign for Adolescent Power & Potential, Inc. (GCAPP), is a statewide, nonprofit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. GCAPP's mission is to improve the overall health and well-being of young people in Georgia to ensure a more powerful future for us all. Founded in 1995 as the Georgia Campaign for Adolescent Pregnancy Prevention, with the mission of reducing teen pregnancy, GCAPP changed its name to the Georgia Campaign for Adolescent Power & Potential in 2012 and expanded its mission beyond teen pregnancy prevention to include healthy relationships and nutrition and physical activity – taking a more holistic approach to its work. GCAPP partners with communities to help ensure that young people are equipped with the knowledge, information, and motivation they need to make wise, healthy choices; choices that help them maximize their potential. Annually, GCAPP reaches over 70,000 young people through partnerships and direct service. GCAPP's focus areas are Youth Empowerment, Parent Engagement, Comprehensive Sex Education, Teen Pregnancy Prevention, and Physical Activity & Nutrition.

GCAPP works with more than 300 partners and organizations across the state – schools, human service professionals, health clinics, policymakers, local businesses, philanthropic entities, faith-based organizations, and community leaders – to convene, collaborate, and help communities throughout Georgia expand evidenced-based programs that work. Our 35 priority counties include some of the most vulnerable in the state. Our expert team is deployed throughout Georgia to develop, implement, and sustain adolescent health programs.

GCAPP partnered with the Georgia Department of Family and Children Services for 20 years to run the Second Chance Homes (SCH) Network, aimed at preventing repeat teen pregnancies. With wrap-around programs and services, SCH achieved a repeat teen pregnancy rate of 7%, much lower than the state average. Building on this success, GCAPP's strategy expands and improves direct services through customized prevention trainings for community organizations and professionals serving teens.

In partnership with the Georgia Department of Family and Children Services, GCAPP's Personal Responsibility Education Program educates young people on both abstinence and contraception to prevent pregnancy and sexually transmitted infections, including HIV/AIDS. The program serves at risk youth ages 10-19 who are in foster care, live in rural areas or in geographic areas with high teen birth rates, or come from racial or ethnic minority groups. The program also supports pregnant and parenting youth under 21 years old. GCAPP serves over 500 parents, trained over 150 youth-serving professionals, and served over 1,400 youth.

Through its WISE initiative (Working to Institutionalize Sex Education), GCAPP is the leading organization in building the state's infrastructure to institutionalize medically accurate, age-appropriate sexual health education in Georgia's schools. WISE/Comprehensive Sex Ed programs are currently implemented in 180 schools.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant accounting policies:

The significant accounting policies adopted by GCAPP are set forth below:

Basis of Presentation:

The accompanying financial statements of GCAPP have been prepared on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America.

GCAPP presents its financial statements in accordance with the Financial Accounting Standards Board (FASB)'s *Not-for-Profit* presentation and disclosure guidance. Under this guidance, GCAPP is required to report information regarding its financial position and activities according to two categories of net assets, as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The only limits on net assets without donor restrictions are those resulting from the nature of the organization and its purposes.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Property and equipment:

Property and equipment are recorded at cost. Depreciation of property and equipment is computed using the straight-line method over estimated useful lives ranging from 3-5 years.

Work in progress represents website development costs.

Maintenance and repairs that do not improve or extend the life of the respective assets are expensed in the year of purchase. Donated assets are recorded at their estimated fair value on the date of donation and are recorded as assets without donor restrictions unless the donor has imposed restrictions on the assets' use.

When equipment is retired, its cost and the related accumulated depreciation are eliminated from the respective accounts, and gains or losses arising from the disposition are recognized in income.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant accounting policies: (Continued)

Contributions and promises to give:

Gifts of cash and other assets are recognized as revenue when they are received or unconditionally pledged. Promises to give over more than one year are recorded at their discounted present value. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue.

Functional allocation of expenses:

The costs of providing the various program services and other activities have been summarized on a functional basis in the statements of activities and statements of functional expenses. Certain costs, such as salaries, insurance, and certain contractual services have been allocated among the programs and supporting services benefited based on actual utilization or using a fair and equitable method adopted specifically for each type of cost.

Special events income:

Special events income for the years ended December 31, 2022 and 2021 includes revenue from ticket sales, sponsorships, and auction sales.

Income taxes:

GCAPP is exempt from income taxes under Section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended. Accordingly, no provision for income taxes is recorded in the accompanying financial statements.

GCAPP accounts for uncertain tax positions in accordance with accounting standards that provide guidance on when uncertain tax positions are recognized in an entity's financial statements and how the values of these positions are determined. No liability has been recorded as of December 31, 2022 or 2021 due to uncertain tax positions.

Revenue and expense recognition:

Reimbursements to be received under contracts with federal grantors are recorded as revenue when the related expenditures are incurred. Reimbursements are based on actual expenditures. Receivables represent amounts due for expenditures incurred prior to year-end. Private foundation grants are recorded as revenue when received or at the time an unconditional promise to give is made known to GCAPP.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant accounting policies: (Continued)

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. Actual results could differ from those estimates.

Allowance for doubtful accounts:

Grants receivable and promises to give are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through adjustments to valuation allowances based on its assessment of the status of individual receivables. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance. No allowance for doubtful accounts for grants receivable or promises to give was considered necessary at December 31, 2022 and 2021.

Recent accounting pronouncements:

In February 2016, FASB issued ASU No. 2016-02, Leases (Topic 842) which is effective for financial statements issued for fiscal years beginning after December 15, 2021. The new standard requires recognition of a right-of-use asset and a lease liability based on the present value of the remaining lease payments. GCAPP adopted the new standard on January 1, 2022. The standard allows an accounting policy election to not recognize a right-of-use asset and lease liability for short-term leases, which are those leases with a term of 12 months or less as of the commencement date and that do not have a purchase option that the lessee is reasonably certain to exercise. GCAPP has elected this policy for short-term leases. The adoption of ASU No. 2016-02 had no effect on total net assets or the change in total net assets for 2022 or 2021.

NOTE 2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Cash	\$ 580,932	\$ 674,396
Grants receivable	300,535	446,190
Promises to give	203,088	48,804
	<u>\$ 1,084,555</u>	<u>\$ 1,169,390</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 2. LIQUIDITY AND AVAILABILITY (Continued)

GCAPP manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they become due. Cash needs of GCAPP are expected to be met through grant and contribution revenue.

NOTE 3. CONCENTRATION OF CREDIT RISK

GCAPP's cash accounts are maintained in a commercial bank and brokerage company located in Atlanta, Georgia. Cash accounts are federally insured up to \$250,000 and GCAPP occasionally maintains balances that may exceed this amount.

NOTE 4. PROPERTY AND EQUIPMENT

A summary of the property and equipment accounts and the related accumulated depreciation and amortization as of December 31, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Computer Equipment and Software	\$ 65,129	\$ 211,738
Furniture and Equipment	13,407	20,197
Leasehold Improvements	-	14,448
Website	19,300	19,300
	<u>97,836</u>	<u>265,683</u>
Less: Accumulated Depreciation and Amortization	<u>(85,913)</u>	<u>(242,679)</u>
	<u>\$ 11,923</u>	<u>\$ 23,004</u>

Depreciation and amortization expense for the years ended December 31, 2022 and 2021 was \$10,595 and \$14,689, respectively.

GCAPP terminated its office lease in February 2022. Several fully-depreciated assets were not relocated to the new office space and are no longer in service.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for the following at December 31, 2022 and 2021:

	2022	2021
Subject to expenditure for a specified purpose:		
Accelerating adolescent health equity	\$ 180,096	\$ 179,874
Comprehensive sex education	537,961	69,356
Youth empowerment	13,154	17,617
Teen pregnancy prevention	14,993	17,339
Public health	8,232	16,599
	\$ 754,436	\$ 300,785

Net assets with donor restrictions consist of the following at December 31, 2022 and 2021:

	2022	2021
Cash	\$ 529,436	\$ 225,785
Grants receivable	225,000	75,000
	\$ 754,436	\$ 300,785

NOTE 6. NET ASSETS RELEASED FROM DONOR RESTRICTIONS

During the years ended December 31, 2022 and 2021, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors as follows:

	2022	2021
Purpose restrictions accomplished:		
Comprehensive sex education	\$ 185,894	\$ 239,248
Accelerating adolescent health equity	156,546	76,358
Youth empowerment	19,464	41,237
Teen pregnancy prevention	2,346	18,652
Public health	66,849	8,401
	\$ 431,099	\$ 383,896

NOTE 7. EMPLOYEE BENEFIT PLAN

GCAPP has a 401(k) plan covering all employees who have met certain age and length of service requirements. GCAPP provides a matching contribution of not greater than 4% of the participant's eligible compensation. For the years ended December 31, 2022 and 2021, GCAPP contributed \$39,727 and \$48,514, respectively to the plan.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EFFECT OF CURRENT ECONOMIC CONDITIONS ON CONTRIBUTIONS

GCAPP depends heavily on contributions and grants for its revenue. The ability of certain contributors and grantors to continue giving amounts comparable with prior years may be dependent upon current and future overall economic conditions and the continued deductibility for income tax purposes of contributions and grants to GCAPP. While GCAPP's Board of Directors believes GCAPP has the resources to continue its programs, its ability to do so and the extent to which it continues, may be dependent on the above factors.

NOTE 9. RELATED PARTY TRANSACTIONS

During the years ended December 31, 2022 and 2021, GCAPP received contributions totaling \$30,000 and \$10,000, respectively, from a related party under a common board member. The amounts represent .66% and .27% of total revenue for the years ended December 31, 2022 and 2021, respectively.

In December 2016, a related party under a common board member, signed a sublease agreement, effective December 1, 2016 to February 28, 2022, to pay a base rent of \$500 plus 11% of GCAPP's monthly rent expense. Under this agreement, GCAPP received \$3,296 and \$19,268 during the years ended December 31, 2022 and 2021, respectively.

NOTE 10. SUBSEQUENT EVENTS

Management has evaluated events occurring through May 24, 2023, the date the financial statements were available to be issued.

SINGLE AUDIT SECTION

GEORGIA CAMPAIGN FOR ADOLESCENT POWER & POTENTIAL, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2022

Federal Grantor/Pass-Through Grantor Program Title	Date of Service	Federal Assistance Listing	Pass-Through Entity Grant Award #	Grant Award Amount	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Health and Human Services passed through:						
Georgia Department of Human Services:						
Personal Responsibility Education Program	10/1/20-3/31/22	93.092	42700-040- 0000097035	\$ 362,501	\$ 10,890	\$ -
Personal Responsibility Education Program	10/1/21-9/30/22	93.092	42700-040- 00000103283	305,000	242,914	-
Personal Responsibility Education Program	10/1/22-9/30/23	93.092	42700-040- 00000108151	184,075	61,032	-
CDC Foundation:						
Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	7/15/22-6/30/23	93.241	4638	100,000	40,000	-
Direct award:						
Teenage Pregnancy Prevention Program	7/01/21-6/30/22	93.297	TP1AH000245- 02-00	1,595,852	920,283	216,350
Teenage Pregnancy Prevention Program	7/01/22-6/30/23	93.297	TP1AH000245- 03-00	1,473,067	<u>774,079</u>	<u>212,496</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS					<u>\$ 2,049,198</u>	<u>\$ 428,846</u>

The accompanying notes to schedule of expenditures of federal awards are an integral part of this schedule.

GEORGIA CAMPAIGN FOR ADOLESCENT POWER & POTENTIAL, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2022

NOTE A. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal award activity of Georgia Campaign for Adolescent Power & Potential, Inc. (GCAPP) under programs of the federal government for the year ended December 31, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because this schedule presents only a selected portion of the operations of GCAPP, it is not intended to and does not present the financial position, changes in net assets, or cash flows of GCAPP.

NOTE B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C. INDIRECT COST RATE

GCAPP has elected not to use the 10% de minimus cost rate as allowed under the Uniform Guidance.

GEORGIA CAMPAIGN FOR ADOLESCENT POWER & POTENTIAL, INC.
SCHEDULE OF EXPENDITURES FOR
GEORGIA DEPARTMENT OF HUMAN SERVICES CONTRACTS
YEAR ENDED DECEMBER 31, 2022

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Date of Service</u>	<u>Federal Assistance Listing</u>	<u>Pass-Through Entity Grant Award #</u>	<u>Grant Award Amount</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services passed through:					
Georgia Department of Human Services:					
Personal Responsibility Education Program	10/1/20-3/31/22	93.092	42700-040- 0000097035	362,501	\$ 10,890
Personal Responsibility Education Program	10/1/21-9/30/22	93.092	42700-040- 00000103283	305,000	242,914
Personal Responsibility Education Program	10/1/22-9/30/23	93.092	42700-040- 00000108151	184,075	<u>61,032</u>
Total expenditures of Georgia Department of Human Services pass through funds					<u>\$ 314,836</u>

The accompanying note is an integral part of this schedule.

GEORGIA CAMPAIGN FOR ADOLESCENT POWER & POTENTIAL, INC.
NOTE TO SCHEDULE OF EXPENDITURES FOR
GEORGIA DEPARTMENT OF HUMAN SERVICES CONTRACTS
YEAR ENDED DECEMBER 31, 2022

NOTE A. BASIS OF PRESENTATION

The accompanying schedule of expenditures for Georgia Department of Human Services Contracts is a summary of the activity of GCAPP's state award programs from Georgia Department of Human Services presented on an accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The information in this schedule is presented in accordance with Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**To the Board of Directors
Georgia Campaign for Adolescent Power & Potential, Inc.
Atlanta, Georgia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Georgia Campaign for Adolescent Power & Potential, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 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, and have issued our report thereon dated May 24, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Georgia Campaign for Adolescent Power & Potential, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Georgia Campaign for Adolescent Power & Potential, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Georgia Campaign for Adolescent Power & Potential, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

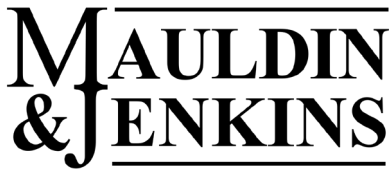
As part of obtaining reasonable assurance about whether Georgia Campaign for Adolescent Power & Potential, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
May 24, 2023



CPAs & ADVISORS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

**To the Board of Directors
Georgia Campaign for Adolescent Power & Potential, Inc.
Atlanta, Georgia**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Georgia Campaign for Adolescent Power & Potential, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Georgia Campaign for Adolescent Power & Potential, Inc.'s major federal programs for the year ended December 31, 2022. Georgia Campaign for Adolescent Power & Potential, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Georgia Campaign for Adolescent Power & Potential, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Georgia Campaign for Adolescent Power & Potential, Inc. and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Georgia Campaign for Adolescent Power & Potential, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Georgia Campaign for Adolescent Power & Potential, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Georgia Campaign for Adolescent Power & Potential, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Georgia Campaign for Adolescent Power & Potential, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Georgia Campaign for Adolescent Power & Potential, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Georgia Campaign for Adolescent Power & Potential, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Georgia Campaign for Adolescent Power & Potential, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
May 24, 2023

**GEORGIA CAMPAIGN FOR ADOLESCENT POWER & POTENTIAL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

YEAR ENDED DECEMBER 31, 2022

I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS:

Financial Statements:

Type of auditors' report issued	<u>Unmodified</u>	
	<u>Yes</u>	<u>No</u>
Internal control over financial reporting:		
Material weaknesses identified?		<u>X</u>
Significant deficiencies identified not considered to be material weaknesses?		<u>None Reported</u>
Noncompliance material to the financial statements noted?		<u>X</u>

Federal Awards:

Internal controls over major programs:		
Material weaknesses identified?		<u>X</u>
Significant deficiencies identified not considered to be material weaknesses?		<u>None Reported</u>
Type of auditors' report issued on compliance for major programs	<u>Unmodified</u>	
Audit findings required to be reported in accordance with 2 CFR Section 200.516(a)		<u>X</u>

Identification of major programs:

93.297 Teen Pregnancy Prevention Program		
Dollar threshold used to distinguish between Type A and Type B programs	<u>\$ 750,000</u>	
	<u>Yes</u>	<u>No</u>
Auditee qualified as low-risk auditee?	<u>X</u>	
Financial Statement Findings?		<u>X</u>
Federal Award Findings and Questioned Costs?		<u>X</u>

**GEORGIA CAMPAIGN FOR ADOLESCENT POWER & POTENTIAL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

YEAR ENDED DECEMBER 31, 2022

Section II – Financial Statement Findings

None

Section III - Findings and Questioned Costs for Federal Awards

None

**GEORGIA CAMPAIGN FOR ADOLESCENT POWER & POTENTIAL, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

YEAR ENDED DECEMBER 31, 2021

Section II – Financial Statement Findings

None

Section III - Findings and Questioned Costs for Federal Awards

None