

# Healthy Futures of Texas

Financial Statements  
and Compliance Report

December 31, 2022 and 2021



# Healthy Futures of Texas

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## **Independent Auditor's Report**

To the Board of Directors of  
Healthy Futures of Texas

### ***Opinion***

We have audited the accompanying financial statements of Healthy Futures of Texas (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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Healthy Futures of Texas as of December 31, 2022 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Healthy Futures of Texas 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 opinion.

### ***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 Healthy Futures of Texas'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 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, including omissions, 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.

## **Independent Auditor's Report (Continued)**

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In performing an audit in accordance with generally accepted 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 purposes of expressing an opinion on the effectiveness of Healthy Futures of Texas'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 Healthy Futures of Texas'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.

### ***Report on Summarized Comparative Information***

We have previously audited Healthy Futures of Texas's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 9, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

Our audit was performed 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 Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

## Independent Auditor's Report (Continued)

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### ***Other Matters***

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also included our report dated August 10, 2023, on our consideration of Healthy Futures of Texas'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Healthy Futures of Texas's internal control over financial reporting and compliance.



Schrive, Carmona & Company, PLLC

San Antonio, Texas

August 10, 2023

## **Financial Statements**

## Healthy Futures of Texas

Statement of Financial Position  
December 31, 2022

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### Assets

#### **Current Assets:**

|                           |    |           |
|---------------------------|----|-----------|
| Cash and Cash Equivalents | \$ | 2,514,513 |
| Accounts Receivable       |    | 1,964,372 |
| Prepaid Expenses          |    | 5,188     |

**Total Current Assets** 4,484,073

Other Assets 2,461

Operating Lease Right-of-Use Assets 2,220

**Total Assets** \$ 4,488,754

### Liabilities and Net Assets

#### **Current Liabilities:**

|  |    |         |
|--|----|---------|
| Accounts Payable                             | \$ | 234,975 |
| Accrued Expenses                             |    | 16,325  |
| Payroll Liabilities                          |    | 76,701  |
| Accrued Compensated Absences                 |    | 184,789 |
| Operating Lease Liabilities, Current Portion |    | 1,395   |
| Deferred Revenue                             |    | 37,579  |

**Total Current Liabilities** 551,764

Operating Lease Liabilities, Long-Term Portion 832

**Total Liabilities** 552,596

#### **Net Assets:**

|                            |           |
|----------------------------|-----------|
| Without Donor Restrictions | 2,973,660 |
| With Donor Restrictions    | 962,498   |

**Total Net Assets** 3,936,158

**Total Liabilities and Net Assets** \$ 4,488,754

The Accompanying Notes are an Integral Part of These Financial Statements.

# Healthy Futures of Texas

## Statement of Activities Year Ended December 31, 2022

|  | Without Donor<br>Restrictions | With Donor<br>Restriction | Totals              |
|--|-------------------------------|---------------------------|---------------------|
| <b>Support and Revenues</b>                |                               |                           |                     |
| <b>Support:</b>                            |                               |                           |                     |
| Individual Gifts and Donations             | \$ 169,723                    | \$ 4,743                  | \$ 174,466          |
| Corporate/Organization Grants              | 108,509                       | -                         | 108,509             |
| Government Grants                          | 1,625,884                     | -                         | 1,625,884           |
| Foundation Contracts                       | 1,222,223                     | 239,226                   | 1,461,449           |
| Contributed Nonfinancial Assets            | 29,726                        | -                         | 29,726              |
| Net Assets Released from Restrictions      | 845,022                       | (845,022)                 | -                   |
| <b>Revenues:</b>                           |                               |                           |                     |
| Program Service Fees                       | 20,436                        | -                         | 20,436              |
| Curriculum Sales                           | 42,786                        | -                         | 42,786              |
| Miscellaneous Revenue                      | 4,817                         | -                         | 4,817               |
| <b>Total Support and Revenues</b>          | <b>4,069,126</b>              | <b>(601,053)</b>          | <b>3,468,073</b>    |
| <b>Expenses</b>                            |                               |                           |                     |
| <b>Program Services:</b>                   |                               |                           |                     |
| Texas Women's Healthcare Coalition Program | 436,261                       | -                         | 436,261             |
| Health Education                           | 768,416                       | -                         | 768,416             |
| Texas Foster Youth Health Initiative       | 614,315                       | -                         | 614,315             |
| Higher Education                           | 926,291                       | -                         | 926,291             |
| K-12 Education                             | 414,764                       | -                         | 414,764             |
| <b>Total Program Services</b>              | <b>3,160,047</b>              | <b>-</b>                  | <b>3,160,047</b>    |
| <b>Support Services:</b>                   |                               |                           |                     |
| General and Administrative                 | 731,088                       | -                         | 731,088             |
| Fundraising                                | 193,687                       | -                         | 193,687             |
| <b>Total Expenses</b>                      | <b>4,084,822</b>              | <b>-</b>                  | <b>4,084,822</b>    |
| <b>Change in Net Assets</b>                | <b>(15,696)</b>               | <b>(601,053)</b>          | <b>(616,749)</b>    |
| <b>Net Assets at Beginning of Year</b>     | <b>2,989,356</b>              | <b>1,563,551</b>          | <b>4,552,907</b>    |
| <b>Net Assets at End of Year</b>           | <b>\$ 2,973,660</b>           | <b>\$ 962,498</b>         | <b>\$ 3,936,158</b> |

The Accompanying Notes are an Integral Part of These Financial Statements.



## Healthy Futures of Texas

### Statement of Functional Expenses Year Ended December 31, 2022

|                                     | Program Services                                       |                     |  |                     |                   | Total<br>Program<br>Services |
|-------------------------------------|--|---------------------|--|---------------------|-------------------|------------------------------|
|                                     | Texas<br>Women's<br>Healthcare<br>Coalition<br>Program | Health<br>Education | Texas<br>Foster<br>Youth<br>Health<br>Initiative | Higher<br>Education | K-12<br>Education |                              |
| Payroll and Benefits                | \$ 279,847   | \$ 405,613          | \$ 402,859                                       | \$ 529,503          | \$ 276,844        | \$ 1,894,666                 |
| Worker's Compensation               | 111  | 160                 | 159  | 209                 | 109               | 748                          |
| Total Salaries and Related Expenses | <u>279,958</u>   | <u>405,773</u>      | <u>403,018</u>                                   | <u>529,712</u>      | <u>276,953</u>    | <u>1,895,414</u>             |
| <b>Other Operating Expenses:</b>    |  |                     |  |                     |                   |                              |
| Accounting and Bookkeeping Fees     | 11,208   | 16,439              | 9,721  | 22,923              | 9,566             | 69,857                       |
| Books, Subscriptions, and Materials | 2,856  | 2,002               | 3,434  | 1,633               | 1,582             | 11,507                       |
| Conferences and Meetings            | 595  | 3,860               | 3,846  | 1,730               | 3,169             | 13,200                       |
| Contracts                           | 6,200  | 103,982             | 77,212   | 31,530              | 5,015             | 223,939                      |
| Equipment                           | 1,631  | 3,351               | 367  | 2,182               | 15                | 7,546                        |
| Software and IT Subscriptions       | 2,327  | 1,628               | 915  | 2,264               | 827               | 7,961                        |
| Insurance                           | -  | -                   | -  | 142                 | 1,373             | 1,515                        |
| Licenses and Permits                | -  | -                   | -  | -                   | -                 | -                            |
| Marketing                           | 15,121   | 36,848              | 1,065  | 297                 | 8,366             | 61,697                       |
| Membership Dues                     | 154  | 25                  | -  | -                   | 50                | 229                          |
| Other Expenses                      | -  | 8                   | 10,161   | -                   | 78                | 10,247                       |
| Postage and Shipping                | 62   | 120                 | 225  | 181                 | 192               | 780                          |
| Pre-Employment Administrative       | 162  | 34                  | 59   | 139                 | -                 | 394                          |
| Printing and Copying                | 356  | 1,357               | 1,552  | 2,699               | 5,247             | 11,211                       |
| Professional Fees                   | 89,450   | 112,908             | 38,939   | 206,148             | 75,642            | 523,087                      |
| Rent, Parking, and Other Occupancy  | 8,443  | 9,890               | 10,231   | 20,595              | -                 | 49,159                       |
| Staff Development                   | -  | 10,045              | 2,536  | 1,389               | 1,004             | 14,974                       |
| Supplies                            | 3,466  | 38,584              | 16,305   | 76,213              | 6,985             | 141,553                      |
| Telephone and Internet              | 7,053  | 3,596               | 3,095  | 6,627               | 1,160             | 21,531                       |
| Travel & Meetings                   | 7,219  | 17,966              | 31,634   | 19,887              | 17,540            | 94,246                       |
| <b>Total Expenses</b>               | <u>\$ 436,261</u>                                      | <u>\$ 768,416</u>   | <u>\$ 614,315</u>                                | <u>\$ 926,291</u>   | <u>\$ 414,764</u> | <u>\$ 3,160,047</u>          |

The Accompanying Notes are an Integral Part of These Financial Statements.

## Healthy Futures of Texas

### Statement of Functional Expenses (Continued) Year Ended December 31, 2022

|  | <b>Support Services</b>                   |                    |                                       | <b>Totals</b>       |
|--|---|--------------------|---------------------------------------|---------------------|
|  | <b>General<br/>and<br/>Administrative</b> | <b>Fundraising</b> | <b>Total<br/>Support<br/>Services</b> |                     |
| Payroll and Benefits                       | \$ 355,531                                | \$ 143,541         | \$ 499,072                            | \$ 2,393,738        |
| Worker's Compensation                      | 146                                       | 58                 | 204                                   | 952                 |
| <b>Total Salaries and Related Expenses</b> | <b>355,677</b>                            | <b>143,599</b>     | <b>499,276</b>                        | <b>2,394,690</b>    |
| <b>Other Operating Expenses:</b>           |   |                    |                                       |                     |
| Accounting and Bookkeeping Fees            | 146,555                                   | 1,300              | 147,855                               | 217,712             |
| Books, Subscriptions, and Materials        | 2,355                                     | 4,095              | 6,450                                 | 17,957              |
| Conferences and Meetings                   | 1,075                                     | -                  | 1,075                                 | 14,275              |
| Contracts                                  | 1,549                                     | -                  | 1,549                                 | 225,488             |
| Equipment                                  | 3,855                                     | -                  | 3,855                                 | 11,401              |
| Information Technology                     | 8,732                                     | 1,231              | 9,963                                 | 17,924              |
| Insurance                                  | 4,598                                     | -                  | 4,598                                 | 6,113               |
| Licenses and Permits                       | 72  | -                  | 72                                    | 72                  |
| Marketing                                  | 3,878                                     | 1,295              | 5,173                                 | 66,870              |
| Membership Dues                            | 1,101                                     | -                  | 1,101                                 | 1,330               |
| Other Expenses                             | 13,297                                    | 247                | 13,544                                | 23,791              |
| Postage and Shipping                       | 649                                       | 542                | 1,191                                 | 1,971               |
| Pre-Employment Administrative              | 8,971                                     | 504                | 9,475                                 | 9,869               |
| Printing and Copying                       | 6,389                                     | 1,359              | 7,748                                 | 18,959              |
| Professional Fees                          | 72,694                                    | 24,294             | 96,988                                | 620,075             |
| Rent, Parking, and Other Occupancy         | 34,856                                    | -                  | 34,856                                | 84,015              |
| Staff Development                          | 2,599                                     | -                  | 2,599                                 | 17,573              |
| Supplies                                   | 23,782                                    | 4,948              | 28,730                                | 170,283             |
| Telephone and Internet                     | 5,250                                     | -                  | 5,250                                 | 26,781              |
| Travel                                     | 33,154                                    | 10,273             | 43,427                                | 137,673             |
| <b>Total Expenses</b>                      | <b>\$ 731,088</b>                         | <b>\$ 193,687</b>  | <b>\$ 924,775</b>                     | <b>\$ 4,084,822</b> |

The Accompanying Notes are an Integral Part of These Financial Statements.

## Healthy Futures of Texas

### Statement of Cash Flows Years Ended December 31, 2022

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#### Cash Flows From Operating Activities:

|   |                     |
|---|---------------------|
| Change in Net Assets  | \$ (616,749)        |
| Adjustments to Reconcile Change in Net Assets<br>to Net Cash Provided (Used) by Operating Activities: |                     |
| (Increase) Decrease in:   |                     |
| Accounts Receivable   | (646,720)           |
| Prepaid Expenses  | 13,008              |
| Other Assets  | (60)                |
| Operating Lease Right-of-Use Assets   | (2,220)             |
| Increase in:  |                     |
| Accounts Payable  | 161,516             |
| Accrued Expenses  | (83,136)            |
| Payroll Liabilities   | 51,164              |
| Accrued Compensated Absences  | 143,980             |
| Operating Lease Liabilities   | 2,227               |
| Deferred Revenue  | (476,677)           |
| <b>Net Cash Provided by Operating Activities</b>  | <u>(1,453,667)</u>  |
| <b>Net Decrease in Cash</b>   | (1,453,667)         |
| Cash and Cash Equivalents, Beginning of Year  | <u>3,968,180</u>    |
| <b>Cash and Cash Equivalents, End of Year</b>   | <u>\$ 2,514,513</u> |

The Accompanying Notes are an Integral Part of These Financial Statements.

## Healthy Futures of Texas

Notes to Financial Statements  
Years Ended December 31, 2022

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### Note A: Nature of Organization

Healthy Futures of Texas is the newly expanded, statewide organization resulting from the 2022 merger of Ntarupt (North Texas Alliance to Reduce Unintended Pregnancy in Teens), the Texas Campaign to Prevent Teen Pregnancy, and Healthy Futures of Texas. The three nonprofits merged after a two-year planning period to have a greater statewide impact in improving the well-being of young Texans through equitable access to sexual health education, contraception, and resources.

The specific programs that Healthy Future's provides include:

- *Health Education:* Healthy Futures has been a leader in curriculum development since its founding in 2006. Health educators implement puberty education for middle school students and sex education for junior and senior high school students. Higher education programming supports young adults in community colleges and university campuses in Austin, San Antonio, and the Rio Grande Valley. Programs designed for parents, caregivers, and trusted adults empower adults to talk about sex and relationships with their teens and prepare them to navigate healthcare.
- *Training and Technical Assistance:* Healthy Futures presents an annual Statewide Symposium and offers presentations to and discussions with over 300 youth-serving professionals from across Texas. In addition, Healthy Futures has regional training events and youth summits across the state.
- *Awareness:* Talk About It Dallas was a successful media campaign in North Texas inspiring conversations about sexual health and wellness. The media campaign is now rebranded across the state and reached several million community members in 2022. This campaign brings empowering messaging across the state.
- *Advocacy:* Healthy Futures advocates for local and state policy priorities supported by data and the experiences of Texas youth and women. Staff members educate and engage the Texas Legislature, State Board of Education, state agencies, local school districts, and municipal health departments.
- *Research and Data:* Healthy Futures conducts, analyzes, and disseminates research and data relevant to sexual health outcomes of youth and women. Healthy Futures uses research and data to inform decision making and provide partners with accurate information.
- *Texas Women's Healthcare Coalition:* Healthy Futures staffs and manages the Texas Women's Healthcare Coalition which consists of 88 healthcare, faith, and community-based member organizations dedicated to improving the health and well-being of Texas women, babies, and families by advocating for access to preventative healthcare for all Texas women.
- *Texas is Ready:* Healthy Futures supports Texas public and charter schools, school health advisory councils, and communities in the implementation of high-quality sexual health education as every Texas youth deserves the information, they need for a lifetime of health relationships and positive sexual health outcomes.

## Healthy Futures of Texas

Notes to Financial Statements  
Years Ended December 31, 2022

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### Note B: Summary of Accounting Principles

#### ***Basis of Accounting***

The financial statements are prepared on the accrual basis of accounting in conformity with generally accepted accounting principles (GAAP). Net assets, support and revenue, and expenses are classified according to two classes of net assets:

- *Without Donor Restrictions* – net assets available for use in general operations and not subject to donor restrictions. Grant and contributions gifted for recurring programs of Healthy Futures generally are not considered “restricted” under GAAP, though for internal reporting Healthy Futures tracks such grants and contributions to verify the disbursement matches the intent. Assets restricted solely through the actions of the Board of Directors are reported as Net Assets Without Donor Restrictions, Board Designated.

#### ***Basis of Accounting***

- *With Donor Restrictions* – net assets subject to donor-imposed stipulations that are more restrictive than Healthy Future’s mission and purpose. Some donor restrictions are temporary in nature, such as those that will be met by the passage of time. 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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

#### ***Fair Value of Financial Instruments***

Healthy Future’s financial instruments include cash and cash equivalents, receivables, and payables. The carrying amount of these financial instruments as reflected in the Statements of Financial Position approximates fair value.

#### ***Methods Used for Allocation of Expenses among Program and Supporting Services***

The financial statements of Healthy Futures report categories of expenses that are attributed to more than one program or support function. These expenses require allocation on a reasonable basis that is consistently applied. Below are the three methods employed by Healthy Futures to allocate these expenses during 2022:

- *Salary/Payroll*: Based on hours worked for each program and is recorded on the individual timesheets, electronically approved by the employees and their respective supervisor. Salary/Exempt personnel is allocated based on a percentage of time devoted to each program/grant.
- *Direct Costs*: Expenditures directly related to a specific funding source/grant or program are charged directly to the specific program.
- *Indirect Costs*: Expenses that support grants/programs are allocated based on a pro rata basis based on the number of full-time equivalent employees assigned to the component grants and programs.

#### ***Estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent 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.

## Healthy Futures of Texas

Notes to Financial Statements  
Years Ended December 31, 2022

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### **Note B: Summary of Accounting Principles (Continued)**

#### ***Cash and Cash Equivalents***

For purposes of reporting cash flows, Healthy Futures considers all highly liquid investments with original maturities of three months or less to be cash equivalents. Cash and cash equivalents include all monies in checking, savings and money market accounts.

#### ***Accounts Receivable***

Accounts receivable are principally due from governmental agencies and other major funding sources and are recorded based on amounts considered by management to be realizable. Healthy Futures records bad debt using the allowance method of accounting. As of December 31, 2022, an allowance was not required because all amounts are considered by management to be fully realizable.

#### ***Prepaid Expenses***

Expenses recorded in advance of the service or product being received are deferred and carried in the Statements of Financial Position as prepaid expenses. For the year ended December 31, 2022 prepaid expenses were **\$5,188**.

#### ***Property and Equipment***

Healthy Futures established a policy for the recording of property and equipment. Healthy Futures will record all purchases with a useful life greater than one year and a cost or donated value of \$5,000 or greater. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Assets capitalized under the capitalization policy are maintained and depreciated over their useful life using the straight-line method of depreciation.

#### ***Compensated Absences***

Healthy Futures permits eligible employees to accumulate earned, but unused vacation pay benefits up to certain limits. Upon resignation, an employee may receive pay for any unused accrued vacation. Unused sick leave may be accumulated to certain limits. In the event of termination, no reimbursement is made for accumulated sick leave. No liability is reported for unpaid accumulated sick leave. Liabilities for compensated absences are accrued or recognized to the extent liabilities have matured (i.e. are due for payment).

#### ***Advertising Costs***

Advertising costs are expensed as incurred. Advertising expenses for the year ended December 31, 2022 was **\$233**.

## Healthy Futures of Texas

Notes to Financial Statements  
Years Ended December 31, 2022

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### Note B: Summary of Accounting Principles (Continued)

#### **Revenue Recognition**

Contributions received and unconditional promises to give are measured at their fair market values and are reported as an increase in net assets. Healthy Futures reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, With Donor Restrictions are reclassified to Without Donor Restrictions and reported in the Statement of Activities as Net Assets Released from Restrictions. Donor restricted contributions whose restrictions are met in the same reporting period are reported as Without Donor Restrictions.

Government funding is either recorded when advances are received or when expenses are incurred, as is the case on reimbursement grants.

#### **Deferred Revenue**

Contributions received that are conditional upon Healthy Futures providing a good or service or other condition are recorded as deferred revenue on the Statement of Financial Position and will be recorded as revenue once those conditions are met.

#### **Federal Income Taxes**

Healthy Futures is exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code ("IRC") and therefore has made no provision for federal income taxes in the accompanying statements. In addition, Healthy Futures has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509 (a) for the IRC. Contributions to Healthy Futures are deductible to the extent allowed by law. There was no unrelated business income for the year ended December 31, 2022. Healthy Futures is not subject to the Texas margin tax. Management is not aware of any tax position that would have a significant impact on its financial position.

#### **Recently Issued Accounting Pronouncements**

##### Adopted During 2022

In February 2016, The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases*, effective for fiscal years beginning after December 15, 2021 and interim periods within fiscal years beginning after December 15, 2022. Under this new pronouncement, generally, leases with terms of more than 12 months will be recognized in the Statements of Financial Position as an asset (right to use leased asset) and a liability (lease liability). Management of Healthy Futures determined the impact to operations to be minimal and has updated the financial statements and related disclosures to conform with requirements of the standard. Refer to **Note G**.

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, effective for fiscal years beginning after June 15, 2021 and interim periods within annual periods beginning after June 15, 2022. The FASB ASU requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The FASB issued the update in an effort to improve transparency in reporting nonprofit gifts-in-kind. Refer to **Note J**.

## Healthy Futures of Texas

Notes to Financial Statements  
Years Ended December 31, 2022

### Note C: Merger

Effective August 1, 2022, Healthy Futures of Texas merged with two strong nonprofit organizations in Texas. The first organization is The Texas Campaign to Prevent Teen Pregnancy which provides statewide services and is based in Austin, Texas. The second organization is the North Texas Alliance to Reduce Unintended Pregnancy in Teens (Ntarupt). Ntarupt is a regional organization serving the Dallas area and is based in Dallas, Texas. The surviving entity is Healthy Futures of Texas. The new organization will continue with this name and will use the same IRS EIN. The boards of the three organizations voted at their respective December 2021 board meetings to approve the intent to merge which allowed the three organizations to engage in the next steps of the merger process. Below is the amount of assets, liabilities, and net assets for each organization combined to create the new assets, liabilities, and net assets for the merged entity.

|                                      | Healthy<br>Futures<br>of Texas<br>(Pre-Merger) | Texas Campaign<br>to Prevent Teen<br>Pregnancy | North Texas<br>Alliance to Reduce<br>Unintended<br>Pregnancy in Teens | Healthy<br>Futures of<br>Texas<br>(Merged) |
|--------------------------------------|--|--|---|--|
| Cash                                 | 804,732  | 1,063,603                                      | 2,099,845   | 3,968,180                                  |
| Accounts Receivable                  | 988,369  | 115,186  | 214,097   | 1,317,652                                  |
| Prepaid Expenses                     | 11,350   | -  | 6,846   | 18,196                                     |
| Other Assets                         | 2,401  | -  | -   | 2,401                                      |
| Total Assets                         | \$ 1,806,852                                   | 1,178,789                                      | 2,320,788   | \$ 5,306,429                               |
| Accounts Payable                     | 71,241   | 150  | 2,068   | 73,459                                     |
| Accrued Expenses                     | 66,346   | 27,781   | 71,680  | 165,807                                    |
| Deferred Revenue                     | 26,250   | 488,006  | -   | 514,256                                    |
| Total Liabilities                    | \$ 163,837                                     | 515,937  | 73,748  | \$ 753,522                                 |
| Net Assets without Donor Restriction | 192,281  | 629,744  | 2,167,331   | 2,989,356                                  |
| Net Assets with Donor Restriction    | 1,450,734                                      | 33,108   | 79,709  | 1,563,551                                  |
| Total Net Assets                     | \$ 1,643,015                                   | 662,852  | 2,247,040   | \$ 4,552,907                               |

Healthy Futures of Texas, Texas Campaign, and NTARUPT had aligned missions and collaborated extensively to reduce unintended and unplanned teen pregnancies through charitable and educational activities and programs. The merger enables Healthy Futures to expand programs and activities throughout the state of Texas.

There were no significant adjustments made to conform the individual accounting policies of the merged organizations. However, one grant received by Texas Campaign was recorded as deferred revenue on its financial statements; under the judgment of management, the terms of the grant indicated that revenue could have been recognized and shown as restricted net assets. Accordingly, \$478,006 was recognized as restricted revenue as of the merger date. As of December 31, 2022, \$238,643 of that balance was released from restriction with the remaining balance of \$239,643 shown as Net Assets with Donor Restriction. The remaining balance was expended by June 30, 2023, subsequent to year end, in accordance with the grant terms.

For reporting purposes, one full year of operating activity is presented for Healthy Futures of Texas. For both Texas Campaign and NTARUPT, operating activity is included for the five-month period August 1, 2022 through December 31, 2022.



## Healthy Futures of Texas

Notes to Financial Statements  
Years Ended December 31, 2022

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### Note D: Liquidity and Availability of Financial Assets

The following represents Healthy Future's financial assets at December 31, 2022 available to meet general expenditures over the next twelve months:

|  |    |                  |
|--|----|------------------|
| Financial assets at year end:  |    |                  |
| Cash and cash equivalents  | \$ | 2,514,513        |
| Accounts receivable  |    | 1,964,372        |
| Total financial assets   |    | <u>4,478,885</u> |
| Less those unavailable for general expenditures within one year, due to:               |    |                  |
| Net assets restricted at year end  |    | 962,498          |
| Less net assets with timing restrictions<br>to be met in less than one year            |    | <u>-</u>         |
|  |    | <u>962,498</u>   |
| Financial assets available to meet general expenditures<br>over the next twelve months | \$ | <u>3,516,387</u> |

Healthy Future's regularly monitors liquidity to meets its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. Healthy Futures has various resources of liquidity at its disposal, including cash and cash equivalents and various receivables. In addition to the financial assets available to meet general expenditures, Healthy Futures operates a balance budget and anticipates earned revenues and annual support contributions sufficient to cover general expenditures not provided by other donor restricted sources. Lastly, Healthy Futures has a line of credit (see **Note I**).

### Note E: Concentrations

#### ***Credit Risk of Financial Instruments***

Financial instruments which potentially subject Healthy Futures to a concentration of credit risk consist of its cash balances held at its financial institution. Healthy Futures maintains all bank accounts at one institution in San Antonio, Texas. The accounts at this institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2022, Healthy Future's cash balance at its financial institution exceeded the insured FDIC limit by **\$1,512,334**. Healthy Futures has not experienced any losses in such account and management believes it is not exposed to a significant risk on its cash balance.

Concentrations of credit risk with respect to receivables are limited because such receivables result primarily from contracts with federal, state, and local governments.

#### ***Support and Revenue***

Healthy Futures received **32%** of revenues from the Department of Health and Human Services for the year ended December 31, 2022. Healthy Futures is dependent upon this governmental department to maintain the current levels of staffing and program services provided to the various communities Healthy Futures serves. Contracts with governmental departments and agencies are negotiated on an annual basis.

In addition, Healthy Futures received 15% of revenue from a state university for the year ended December 31, 2022.

## Healthy Futures of Texas

Notes to Financial Statements  
Years Ended December 31, 2022

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### Note F: Net Assets With Donor Restrictions

Net Assets With Donor Restrictions at December 31, 2022 is summarized as follows:

|                                |                          |
|--------------------------------|--------------------------|
| Restricted by Purpose          |                          |
| Texas Women's Healthcare       | \$ 373,928               |
| Teen Education                 | 176,364                  |
| BAE-B-SAFE Program             | 322,176                  |
| Strategic Integration (Merger) | 40,030                   |
| Marketing & Rebranding         | <u>50,000</u>            |
| Total With Donor Restrictions  | \$ <u><u>962,498</u></u> |

### Note G: Leases

As discussed in Note B, Healthy Futures adopted ASU 2016-02 during 2022. Healthy Futures assesses whether an arrangement qualifies as a lease (i.e. conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. Leases with an initial term of 12 months or less are not recorded in the Statement of Financial Position. Lease expense is recognized for these leases on a straight-line basis over the lease term. A right-of-use lease asset and liability are recognized on the Statement of Financial Position for leases (operating) as of December 31, 2022.

The following summarizes the line items in the statement of financial position which include amounts for right-to-use assets and lease liabilities as of December 31, 2022:

|  |                        |
|--|------------------------|
| Operating Lease Right-of-Use Assets            | \$ <u>2,220</u>        |
| Operating Lease Liabilities, Current Portion   | 1,395                  |
| Operating Lease Liabilities, Long-Term Portion | <u>832</u>             |
| Total Lease Liability                          | \$ <u><u>2,227</u></u> |

The following summarizes the line items in the statement of activities which include the components of lease expense for the year ended December 31, 2022:

|   |                      |
|---|----------------------|
| Operating lease expense included in Equipment | \$ <u>608</u>        |
| Total operating lease costs                   | \$ <u><u>608</u></u> |

## Healthy Futures of Texas

Notes to Financial Statements  
Years Ended December 31, 2022

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### Note G: Leases (continued)

The following summarizes the supplemental cash flow information for the year ended December 31, 2022:

|  |    |       |
|--|----|-------|
| Cash paid for amounts included in the measurement of lease liabilities |    |       |
| Operating cash flows from operating leases                             | \$ | 600   |
| Right-of-use assets obtained in exchange for lease liabilities         |    |       |
| Operating leases   | \$ | 2,804 |

The following summarizes the weighted average remaining lease term and discount rate as of December 31, 2022:

|  |       |
|--|-------|
| <b>Weighted Average Remaining Lease Term (years)</b> |       |
| Operating leases                                     | 1.58  |
| <b>Weighted Average Discount Rate</b>                |       |
| Operating leases                                     | 2.82% |

The maturities of lease liabilities as of December 31, 2022 is summarized as follows:

|                                    |    |              |
|------------------------------------|----|--------------|
| 2023                               | \$ | 1,440        |
| 2024                               |    | 840          |
| Thereafter                         |    | -            |
| Total lease payments               | \$ | 2,280        |
| Less: interest                     |    | (53)         |
| Present value of lease liabilities |    | <u>2,227</u> |

### Note H: Pension Plan

Healthy Futures has a simple IRA retirement plan that allows employees to contribute up to \$12,500 of their annual pay to the plan. Healthy Futures currently matches up to 3% of each participating employee's salary to this plan. Healthy Future's total contribution for the year ended December 31, 2022 was **\$27,153**.

### Note I: Line of Credit

Healthy Futures has a \$50,000 line of credit with PNC Bank (formerly BBVA Compass Bank) to provide for working capital needs from time to time. The line of credit is revolving and is secured by all accounts of Healthy Futures. The line of credit bears an interest rate of prime plus 8.67%, which was **16.17%** at December 31, 2022. For the year ended December 31, 2022, the line of credit balance was \$0.

## Healthy Futures of Texas

Notes to Financial Statements  
Years Ended December 31, 2022

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### Note J: Contributed Nonfinancial Assets

Healthy Futures received contributed goods and services for the year ended December 31, 2022. The estimated fair value of these goods and services is as follows:

|                               |               |
|-------------------------------|---------------|
| Donated Facilities            | 26,226        |
| Professional Services - Legal | <u>3,500</u>  |
|                               | <u>29,726</u> |

### Note K: Commitments and Contingencies

Healthy Futures participates in several state and federal grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that Healthy Futures has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable may be impaired. In the opinion of management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

### Note L: Risk and Uncertainty

#### *Current Economic Events*

Certain current economic events have arisen which could impact the Organization's ongoing operations. The effects of economic stimulus programs and U.S. Federal Reserve actions remain uncertain. These matters could impact numerous facets of the business environment including interest rates, inflation, and the availability of goods, capital and labor. Any related financial impact cannot be reasonably estimated at this time.

### Note M: Subsequent Events

Subsequent events have been evaluated through August 10, 2023, which is the date the financial statements were available to be issued.

## **Compliance Report**

**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 Trustees of  
Healthy Futures of Texas

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 Healthy Futures of Texas (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 August 10, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Healthy Futures of Texas's internal control over financial reporting (internal control) to determine the 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 Healthy Futures of Texas's internal control. Accordingly, we do not express an opinion on the effectiveness of Healthy Futures of Texas'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 may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Healthy Futures of Texas'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 determination of financial statement amounts. 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*.

**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* (Continued)**

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**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 Healthy Futures of Texas's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Healthy Futures of Texas's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Schrive, Carmona & Company, PLLC

San Antonio, Texas

August 10, 2023

## **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 of  
Healthy Futures of Texas

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited Healthy Futures of Texas's compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of Healthy Futures of Texas's major federal programs for the year ended December 31, 2022. Healthy Futures of Texas'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, Healthy Futures of Texas 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 Healthy Futures of Texas and to meet our 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 Healthy Futures of Texas'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 Healthy Futures of Texas's federal programs.



## **Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance (Continued)**

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### ***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 Healthy Futures of Texas'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 Healthy Futures of Texas'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 Healthy Futures of Texas'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 Healthy Futures of Texas'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 Healthy Futures of Texas'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 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 may exist that have not been identified.

**Independent Auditor's Report on Compliance for  
Each Major Program and on Internal Control  
Over Compliance Required by the Uniform Guidance (Continued)**

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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.



Schrivier, Carmona & Company, PLLC

San Antonio, Texas

August 10, 2023

**Healthy Futures of Texas**

Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2022

| Federal Grantor/Pass through Grantor/Program Title  | CFDA / AL Number | Grant ID Number   | Grant Period |           | Federal Grant Expended During the Year |
|---|------------------|-------------------|--------------|-----------|--|
|   |                  |                   | From         | To        |  |
| <b><i>U.S. Department of Health and Human Services</i></b>                                  |                  |                   |              |           |  |
| Competitive Personal Responsibility Education Program (Texas C-PREP Alamo Colleges Project) | 93.092           | 90AK0050-06-01    | 9/30/2021    | 3/29/2022 | \$ 18,434                              |
| Competitive Personal Responsibility Education Program (Texas C-PREP UTRGV)                  | 93.092           | 90AK0069-01-00    | 9/30/2021    | 9/29/2022 | 314,542                                |
| Competitive Personal Responsibility Education Program (Texas C-PREP UTRGV)                  | 93.092           | 90AK0069-02-00    | 9/30/2022    | 9/29/2023 | 111,110                                |
|   |                  |                   |              |           | <u>444,086</u>                         |
| Healthy Futures of Texas SRAE Project:  |                  |                   |              |           |  |
| Faith-based and Community-based Populations   | 93.060           | 90SR0135-01-00    | 9/30/2021    | 9/29/2022 | 254,211                                |
| Faith-based and Community-based Populations   | 93.060           | 90SR0135-02-00    | 9/30/2022    | 9/29/2023 | 127,651                                |
|   |                  |                   |              |           | <u>381,862</u>                         |
| Texas Pregnancy Prevention (TPP) Program  | 93.297           | TPIAH000273-01-01 | 8/2/2022     | 6/30/2023 | 262,912                                |
| <i>Passed through The University of Texas at Austin</i>                                     |                  |                   |              |           |  |
| Texas Foster Youth Health Initiative  | 93.297           | UTA20-000986      | 7/15/2020    | 6/30/2023 | 514,261                                |
| <b><i>Total U.S. Department of Health and Human Services</i></b>                            |                  |                   |              |           | <u>1,603,121</u>                       |
| <b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>   |                  |                   |              |           | <u>\$ 1,603,121</u>                    |

See Notes to Schedule of Expenditures of Federal Awards

## Healthy Futures of Texas

Notes to Schedule of Expenditures of Federal Awards  
December 31, 2022

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### Note A: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of Healthy Futures of Texas 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 Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Because the Schedule presents only a selected portion of the operations of Healthy Futures of Texas it is not intended, and does not, present the financial position, changes in net assets or cash flows of Healthy Futures of Texas. Therefore, some amounts presented in the Schedule may differ from amounts presented in the financial statements.

All of Healthy Futures of Texas's federal awards were in the form of cash assistance for the year ended December 31, 2022.

### Note B: Summary of Significant Accounting Policies

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in 2 CFR Part 230, *Costs Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Healthy Futures of Texas has elected to not use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

### Note C: Reconciliation to Statement of Activities in Financial Statements

|   |    |                         |
|---|----|-------------------------|
| Total Expenditures of Federal Awards          | \$ | 1,603,121               |
| Local Government Grants                       |    | <u>22,763</u>           |
| Government Grants per Statement of Activities | \$ | <u><u>1,625,884</u></u> |

# Healthy Futures of Texas

Schedule of Findings and Questioned Costs  
Year Ended December 31, 2022

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## SECTION I - SUMMARY OF AUDITOR'S RESULTS

### Financial Statements

|  |               |
|--|---------------|
| Type of auditor's report issued  | Unmodified    |
| Internal Control Over Financial Reporting:<br>Material weakness(es) identified?          | No            |
| Significant deficiencies identified that are not considered to be material weakness(es)? | None reported |
| Noncompliance material to the financial statements?                                      | No            |

### Federal Awards

|   |            |
|---|------------|
| Internal Control Over Major Programs:<br>Material weakness(es) identified?                              | No         |
| Significant deficiencies identified that are not considered to be material weakness(es)?                | No         |
| Type of auditor's report issued on compliance for major programs  | Unmodified |
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516? | No         |

#### Identification of Major Programs:

| <u>CFDA Number</u> | <u>Name of Federal Program or Cluster</u>                  |
|--------------------|--|
| 93.060             | SRAE Project - Faith-based and Community-based Populations |

|   |           |
|---|-----------|
| Dollar threshold used to distinguish between Type A and Type B programs | \$750,000 |
| Auditee qualified as low-risk auditee?                                  | Yes       |

## SECTION II - FINANCIAL STATEMENT FINDINGS

None

## SECTION III - FEDERAL AWARD FINDINGS

None

## **Healthy Futures of Texas**

Summary Status of Prior Year Audit Findings  
Year Ended December 31, 2022

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There are no findings from prior year that require an update in this report.