

**FRESNO MADERA**  
**YOUTH FOR CHRIST INC**

*FINANCIAL STATEMENTS*

**June 30, 2021**

**FRESNO MADERA YOUTH FOR CHRIST INC**

June 30, 2021

**TABLE OF CONTENTS**

Independent Review Report.....	1
Statement of Financial Position .....	2
Statement of Activities.....	3
Statement of Cash Flows .....	4
Statement of Functional Expenses .....	5
Notes to the Financial Statements.....	6-14



## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of  
Fresno Madera Youth for Christ Inc  
Fresno, California

We have reviewed the accompanying financial statements of Fresno Madera Youth for Christ Inc (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibility for the Financial Statements**

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

### **Accountant's Responsibility**

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

### **Accountant's Conclusion**

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

*Baker, Chi & Parkey*

Baker, Chi & Parkey  
Accountancy Corporation, PC  
Fresno, CA  
October 27, 2021

**FRESNO MADERA YOUTH FOR CHRIST INC**

*Statement of Financial Position*

June 30, 2021

**ASSETS**

Current Assets	
Cash and cash equivalents	\$ 665,085
Accounts receivable, net	655
Contributions receivable	1,230
Employee receivable	198
Total Current Assets	<u>667,168</u>
Investments	7,229
Land, Building Property & Equipment	1,476,689
Less: Accumulated depreciation	<u>(459,611)</u>
Total Land, Building and Equipment	1,017,078
Fees	2,190
Less: Amortization Expense	<u>(260)</u>
Total Intangible Assets	1,930
Total Assets	<u><u>\$ 1,693,405</u></u>

**LIABILITIES AND NET ASSETS**

Current Liabilities	
Accounts payable and accrued expenses	\$ 54,609
Total Current Assets	<u>54,609</u>
Forgivable loan	<u>113,540</u>
Total Liabilities	<u>168,149</u>
Net Assets	
Without donor restrictions	<u>1,525,256</u>
Total Net Assets	<u>1,525,256</u>
Total Liabilities and Net Assets	<u><u>\$ 1,693,405</u></u>

See accompanying notes and independent review report

**FRESNO MADERA YOUTH FOR CHRIST INC**

*Statement of Activities*  
For the Year Ended June 30, 2021

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
Revenues and Support			
Support	\$ 396,599	\$ 53,002	\$ 449,601
Program revenue and grants	214,063	-	214,063
Special event income, net of expense of \$51,324	139,000	-	139,000
Rental income	10,625	-	10,625
In Kind donations	3,362	-	-
Investment income	1,682	-	1,682
Miscellaneous income	1,024	-	1,024
PPP loan forgiveness	127,500	-	127,500
Satisfaction of restriction	53,002	(53,002)	-
Total Support and Gains	<u>946,857</u>	<u>0</u>	<u>946,857</u>
Expenses			
Program services	611,665	0	611,665
Support services	228,320	0	228,320
Total Expenses	<u>839,985</u>	<u>0</u>	<u>839,985</u>
Change in Net Assets	106,872	0	106,872
Net Assets - June 30, 2020	<u>1,418,384</u>	<u>0</u>	<u>1,418,384</u>
Net Assets - June 30, 2021	<u>\$ 1,525,256</u>	<u>\$ 0</u>	<u>\$ 1,525,256</u>

See accompanying notes and independent review report

**FRESNO MADERA YOUTH FOR CHRIST INC**

*Statement of Cash Flows*  
For the Year Ended June 30, 2021

Cash Flows from Operating Activities	
Change in net assets	\$ 106,872
Noncash items included in Support and Expenses:	
Depreciation	38,883
Amortization	56
Donated vehicle	(3,362)
Adjustments to reconcile Net Cash Provided (Used) by Operating Activities:	
Decrease (Increase) in contributions receivable	6,474
(Decrease) Increase in accounts payable and accrued expenses	(1,576)
Net Cash Provided (Used) by Operating Activities	<u>147,347</u>
 Cash Flow from Financing Activities	
Purchase of Equipment	<u>(2,880)</u>
Net Cash Provided (Used) by Financing Activities	<u>(2,880)</u>
 Cash Flows from Investing Activities	
Funds received from PPP loan - second round	113,540
PPP loan forgiven	(127,500)
Investment income	(655)
Investment purchases	<u>(2,750)</u>
Net Cash Provided (Used) for Investing Activities	<u>(17,365)</u>
 Net Increase (Decrease) in Cash	127,102
 Cash and cash equivalents - June 30, 2020	<u>537,983</u>
 Cash and cash equivalents - June 30, 2021	<u><u>\$ 665,085</u></u>

Supplemental Disclosure

Income tax paid \$-0-

Interest paid \$81

See accompanying notes and review report

**FRESNO MADERA YOUTH FOR CHRIST INC**

*Statement of Functional Expense*

For the Year Ended June 30, 2021

	Program Services					Support Services			Grand Total
	<u>Campus Clubs</u>	<u>Group Homes and Juvenile Justice</u>	<u>YFC Core</u>	<u>Various Christian based Programs</u>	<u>Total Program</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total Support Services</u>	
Board expense	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 138	\$ 138	\$ 138
National office fee	-	-	-	-	-		23,182	23,182	23,182
Facility expense	-	-	-	24,265	24,265	3,033	3,033	6,066	30,331
Public relations	-	-	-	-	-	1,241	-	1,241	1,241
Bank fees	175	79	-	2,923	3,177	79	3,892	3,971	7,148
Finance/interest exp	-	-	-	-	-	-	81	81	81
Insurance expense	-	-	-	29,037	29,037	3,630	3,630	7,260	36,297
Office expense	13	59	-	34,916	34,988	4,373	4,373	8,746	43,734
Ministry expense	3,363	7,723	70	8,629	19,785	-	-	-	19,785
Salary	128,311	125,311	72,400	92,471	418,493	52,057	57,932	109,989	528,482
Employee benefits	538	879	-	32,567	33,984	4,457	1,409	5,866	39,850
Payroll taxes	-	-	-	35,982	35,982	4,472	5,897	10,369	46,351
Staff development	68	-	-	1,340	1,408	2,525	5,000	7,525	8,933
Vehicle expense	569	2,778	-	1,424	4,771	10	10	20	4,791
Volunteer expenses	769	450	-	798	2,017	-	-	-	2,017
Professional Fees	-	-	-	3,758	3,758	470	4,457	4,927	8,685
Depreciation expense	-	-	-	-	-	-	38,883	38,883	38,883
Amortization expense	-	-	-	-	-	-	56	56	56
<b>Total Expense</b>	<b>\$ 133,806</b>	<b>\$ 137,279</b>	<b>\$ 72,470</b>	<b>\$ 268,110</b>	<b>\$ 611,665</b>	<b>\$ 76,347</b>	<b>\$ 151,973</b>	<b>\$ 228,320</b>	<b>\$ 839,985</b>

See accompanying notes and independent review report

# **FRESNO MADERA YOUTH FOR CHRIST INC**

*Notes to Financial Statements*

June 30, 2021

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### Nature of Activities:

Fresno/Madera Youth for Christ Inc (the Organization) is an organization that aims to reach young people everywhere, working together with the local church and other like-minded partners to raise up lifelong followers of Jesus who lead by their godliness in lifestyle, devotion to prayer and the Word of God, passion for sharing the love of Christ and commitment to social involvement.

The Fresno/Madera chapter of Youth for Christ was founded in 1946. The Organization has six divisions that it uses to help reach youth in the Fresno and Madera areas; three campus programs and three community programs. The Organization uses curriculum from the National Youth for Christ offices. Offices which were founded in 1944. Fresno/Madera Youth for Christ also uses its two locations in Fresno to reach out to the community through programs such as tutoring, martial arts, photo classes and bicycle and skateboard repair.

Fresno/Madera Youth for Christ has a goal to build relationships with kids to lead to relationships with Christ and the Church.

### Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

### Cash and Cash Equivalents:

Cash equivalents are short-term, highly liquid investments with original maturities of three months or less.

### Property and Equipment:

Property and Equipment is recorded at cost when purchased or at fair market value if donated.

Fresno/Madera Youth for Christ Inc follows the practice of capitalizing all expenditures for property and equipment in excess of \$1,000 and the fair value of any similar assets donated. Depreciation is provided over the estimated useful lives of the assets (between 5-20 years) on a straight-line basis.



# **FRESNO MADERA YOUTH FOR CHRIST INC**

*Notes to Financial Statements*

June 30, 2021

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (con't)**

### Financial Statement Presentation

As required by FASB Accounting Standards Codifications Fresno/Madera Youth for Christ reports information regarding its financial position and activities in two net assets:

Net assets without donor restrictions – This class of assets represents the portion of net assets of the Council that is not restricted by donor-imposed stipulations. Contributions are considered available for unrestricted use unless specifically restricted by the donor.

Net assets with donor restrictions – Includes funds with donor-imposed restrictions which permit the Council to expend the assets as specified and is satisfied either by the passage of time or by actions of the Council. These net assets may also include resources which have a donor-imposed restriction which stipulates that the assets are to be maintained in perpetuity but permits the Council the expend part or all the income derived from the assets. For the years presented, the Council did not have any assets which have a donor stipulation requiring assets to be maintained in perpetuity.

Accounts receivables are considered past due when they are outstanding for more than 30 days.

### Income Tax

Fresno/Madera Youth for Christ is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and the related California code section.

Accounting principles generally accepted in the United States of America require those charged with governance to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken an uncertain tax position that more likely than not would not be sustained upon examination by the Internal Revenue. The Organization has evaluated the tax positions taken and has concluded that as of June 30, 2021 there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

The Organization is subject to routine audits by taxing jurisdictions. The Federal and State informational returns have not been examined by the taxing jurisdictions and therefore all open years under the respective statutes of limitations remain subject to examination.

### Donated Services, Goods and Facilities

A substantial number of volunteers have donated time to the Organization's program services and fund-raising activities during the year. These donated services are not reflected in the financial statements since the services do not require specialized skills.

Materials and other assets received as donations are recorded and reflected in the accompanying statements at fair value at date of receipt. The Organization received a vehicle donation during the fiscal year with a fair value of \$3,362. The Organization used Level 2 inputs to determine value.

# **FRESNO MADERA YOUTH FOR CHRIST INC**

*Notes to Financial Statements*

June 30, 2021

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (con't)**

### Advertising Costs

Advertising/Marketing costs are expensed as incurred. Total advertising/marketing costs for the period are \$1,241

### Vacation/Sick Leave (Paid Time Off)

Accumulated unpaid employee vacation benefits are recognized as liabilities of the organization. Vacation benefits were accrued as of June 30, 2021 in the amount of \$30,474. The Organization is in compliance with California sick leave laws and provides paid time off to eligible employees.

### Accounts Receivables

Accounts receivables are continually reviewed as to collectability. Management has reviewed financial activity subsequent to the year end and all accounts receivables outstanding as of June 30, 2021, are substantially all collectible. Therefore, management does not believe it is appropriate to record an allowance account. Management deems accounts receivables past due after 30 days.

### Nature of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

## **NOTE 2 –CONTRIBUTION RECEIVABLES**

### Contribution Pledges

Contributions are recorded as income at the time the pledge is made and is reasonably determined by management to be collectible. Management is continually reviewing contribution pledges for collectability.

Contribution Receivable June 30, 2020	\$ 7,703
Collections on contributions (fiscal year end 2021)	<u>(6,473)</u>
Contribution Receivable, net June 30, 2021	<u>\$ 1,230</u>

Contributions receivable are classified using Fair Value Measurements (Level 3 inputs) using the hierarch for determining fair values as established by FASB ASC 820. Level 3 inputs are measured using significant unobservable inputs.

# **FRESNO MADERA YOUTH FOR CHRIST INC**

*Notes to Financial Statements*

June 30, 2021

## **NOTE 3 – FAIR MARKET VALUE**

The Organization reports its fair value measures by using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by generally accepted accounting principles, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are defined as follows:

- Level 1            Quoted prices for identical assets or liabilities in active markets to which the Council has access at the measurement date
  
- Level 2            Inputs other than quoted prices included in Level 1 that are observable for the assets or liability either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identifiable or similar assets in markets that are not active; observable inputs other than quoted prices for the asset or liability ; and inputs derived principally from, or corroborated by, observable market data by correlation or by other means
  
- Level 3            Unobservable inputs for the assets or liability. Unobservable inputs should be used to measure fair value to the extent that observable inputs are not available.

## **NOTE 4 – INVESTMENTS**

Investments are held by the Youth for Christ National Office for this Organization as of June 30, 2021 are as follows:

Description	June 30, 2020	Change in Value	June 30, 2021
Stocks	\$ 3,824	\$ -0-	\$ 3,824
Investments Made	-0-	2,750	2,750
Investment Income	-0-	655	655
<b>Total</b>	<b>\$ 3,824</b>	<b>\$ 3,405</b>	<b>\$ 7,229</b>

The investments are classified as available for sale securities and reported at Fair Market Value (Level 1 inputs) using the hierarchy for determining fair value as established by FASB ASC 820. Level 1 inputs are investments with quoted prices for identical instruments traded in active markets.

## FRESNO MADERA YOUTH FOR CHRIST INC

*Notes to Financial Statements*

June 30, 2021

### NOTE 5 – PROPERTY & EQUIPMENT

The Organization has property and equipment as listed below

Furniture & Equipment	131,827
Building & Improvement	<u>1,344,862</u>
Total Costs	1,476,689
Less accumulated depreciation	<u>(459,611)</u>
Net	<u>\$ 1,017,078</u>

### NOTE 6 – AMORTIZATION

In 2017 paid professional fees in connection with the purchase of the house. The intangible assets are amortized over 40 years (the estimated useful life) using the straight-line method.

Professional Fees	\$ 2,190
Less: Accumulated amortization	<u>(260)</u>
Net	<u>\$ 1,930</u>

The Organization has estimated amortization for the next five years as follows:

2022	\$ 54
2023	54
2024	54
2025	54
2026	<u>54</u>
	<u>\$ 270</u>

### NOTE 7 – ACCOUNTS PAYABLE & ACCRUED EXPENSES

The breakdown of \$54,609 is as follows:

Accounts payable, trade	\$ 2,408
Vacation accrual	30,474
Payroll liabilities	<u>21,7267</u>
Total	<u>\$ 54,609</u>

# **FRESNO MADERA YOUTH FOR CHRIST INC**

*Notes to Financial Statements*

June 30, 2021

## **NOTE 9 – FORGIVEABLE LOANS**

### **PPP Loan – Round 1**

On April 15, 2020 the Organization obtained a Note Payable administered by Suncrest Bank under the Small Business Administration (SBA) Payroll Protection Program in the amount of \$127,500. Under this SBA program if the Organization complies with the loan requirements the loan is forgiven in full. The Organization is awaiting the loan forgiveness application from Suncrest Bank. Should the Organization fail to comply with the terms of this SBA Loan Program a portion or all the note payable will become due and payable. On November 20, 2020 the Organization was notified in writing the Note was forgiven in full.

### **PPP Loan – Round 2**

On January 25, 2021 the Organization obtained a Note Payable administered by Suncrest Bank under the Small Business Administration (SBA) Payroll Protection Program's second round of funding in the sum of \$113,540. Under this SBA program if the Organization complies with the loan requirements the loan is forgiven in full. Should the Organization fail to comply with the terms of this SBA Loan Program a portion or all the note payable will become due and payable. Below are the terms of the note if the loan is not forgiven. Note payable to Suncrest Bank under the SBA Payroll Protection Program. No collateral is required for this loan program and no fees were charged to secure the loan. Loan payments begin 10 months after the loan forgiveness covered period ends. No payments are required before notification from the SBA that no loan forgiveness was allowed. It is the opinion of management that the loan will be forgiven in full. Interest accrues at the rate of 1% per annum. The loan matures on January 25, 2026.

## **NOTE 10- CONTRIBUTORY RETIREMENT PLAN**

The Organization has established a contributory retirement plan available for all eligible employees which allows participants to make tax deferred investment contributions. The plan qualifies as a Simple Individual Retirement Account. The Plan reports on a calendar year. The Organization contributes to the plan annually. The organization funded \$9,941 during the 2021 fiscal year.

**FRESNO MADERA YOUTH FOR CHRIST INC**

*Notes to Financial Statements*

June 30, 2021

**NOTE 11 – FUNCTIONAL ALLOCATION OF EXPENSES**

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. These expenses require allocation on a reasonable basis that is consistently applied.

<u>Expense</u>	<u>Method of Allocation</u>
Public relations	Time and effort
Bank fees	Time and effort
Finance/interest	Time and effort
Office expense	Time and effort
Salary	Time and effort
Employee benefits	Time and effort
Payroll taxes	Time and effort
Staff development	Time and effort
Employee benefits	Time and effort

**NOTE 12 – BOARD DESIGNATED FUNDS**

The Board of Directors has designated \$513,469 of net assets with no donor restrictions for the following purposes:

Reserve for Operating Costs	<u>513,469</u>
Total	<u>\$ 513,469</u>

# **FRESNO MADERA YOUTH FOR CHRIST INC**

*Notes to Financial Statements*

June 30, 2021

## **NOTE 13 – LIQUIDITY**

The Organization has a policy to structure its financial assets to be available as general expenditures, liability and other obligations come due. The Organization is substantially supported by donations, grants and fundraisers. As part of the Organization’s cash management policy the Board has designated surplus cash to be held in a separate bank account which can be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside of the typical life cycle of converting financial assets to cash or settling financial liabilities. The balance of the fund was \$513,469 as of June 30, 2021

Financial assets, at year end	\$ 674,397
Less those unavailable for general expenditure within one year due to Board designations:	
Amounts set aside for liquidity reserve	<u>(513,469)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 160,928</u>

## **NOTE 14 – CONCENTRATIONS**

### Operating Location

The Organization’s operations are located in the Central Valley of California.

### Credit Risk

The Church maintains its cash account in Suncrest Bank. The account is guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. A summary of the total insured and uninsured cash balances follows:

Total cash held in Suncrest Bank	\$ 664,695
Portion insured by FDIC	<u>(250,000)</u>
Uninsured Cash Balance	<u>\$ 414,695</u>

## **NOTE 15 – SUBSEQUENT EVENTS**

### COVID-19

The COVID-19 pandemic developed rapidly in 2020. Measures taken by various government agencies to contain the virus have continued to evolved and affected economic activity. We have taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for our employees, volunteers and youth served including social distancing and virtual meetings. At this stage the financial impact on our Organization has not been significant and based on our experience to date we expect this to remain the case. We also refer to NOTE 13 - LIQUIDITY. As of the fiscal year end the Organization has funds designated specifically to be used in the case of financial distress.

**FRESNO MADERA YOUTH FOR CHRIST INC**

*Notes to Financial Statements*

June 30, 2021

**NOTE 15 – SUBSEQUENT EVENTS (CONT'D)**

The Organization has evaluated subsequent events through October 27, 2021 the date which the financial statements were available to be issued.