

FRESNO MADERA YOUTH FOR CHRIST INC

**Compilation Financial Statements
June 30, 2022**

FRESNO MADERA YOUTH FOR CHRIST INC

June 30, 2022

TABLE OF CONTENTS

	<u>Page No.</u>
Accountant's Compilation Report	1
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flow	5
Notes to Financial Statements.....	6 – 10



Daniel, Towle & Warkentine

ACCOUNTANCY CORPORATION

Don Warkentine, CPA

Doyle D. Daniel, CPA
Burkely Towle, Jr., CPA
Maribel Avalos, CPA

ACCOUNTANT'S COMPILATION REPORT

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

Management is responsible for the accompanying financial statements of Fresno Madera Youth for Christ Inc (a nonprofit corporation), which comprise the statement of financial position as of June 30, 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 accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Daniel, Towle & Warkentine

Daniel, Towle & Warkentine
Fresno, California

September 29, 2022

FRESNO MADERA YOUTH FOR CHRIST INC
Statement of Financial Position
June 30, 2022

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 1,058,166	
Total Current Assets		\$ 1,058,166

Investments

Stocks	6,694	
Total Investments		6,694

Property, Plant & Equipment

Construction in Progress	8,198	
Land	160,949	
Buildings & Improvements	1,188,829	
Furniture & Equipment	126,911	
Less Accumulated Depreciation	(499,279)	
Total Property & Equipment		985,608

Other Assets

Restricted Cash-Capital Project	63,079	
Professional Fees less Amortization of \$315	1,875	
Total Other Assets		64,954

Total Assets		\$ 2,115,422
---------------------	--	---------------------

Liabilities & Net Assets

Current Liabilities

Accounts Payable	\$ 857	
Accrued Expenses	46,584	
Total Current Liabilities		\$ 47,441
Total Liabilities		47,441

Net Assets

Without Donor Restrictions	1,754,902	
With Donor Restrictions	313,079	
Total Net Assets		2,067,981

Total Liabilities & Net Assets		\$ 2,115,422
---	--	---------------------

See accompanying notes and independent accountant's compilation report.

FRESNO MADERA YOUTH FOR CHRIST INC

Statement of Activities

For the year ended June 30, 2022

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Revenues			
Contributions	\$ 705,588		\$ 705,588
Grants	86,418	321,277	407,695
Governmental Grants	65,002	-	65,002
Special event income, net of expense of \$51,247	140,538		140,538
PPP Loan Forgiveness	113,540		113,540
Miscellaneous Income	13,959		13,959
Rent Income	5,875		5,875
In-Kind Donations	4,000		4,000
Investment Income(Loss)	295		295
Net assets released from restrictions:			
-Satisfaction of purpose restrictions	<u>8,198</u>	<u>(8,198)</u>	<u>-</u>
Total net assets released from restrictions	<u>8,198</u>	<u>(8,198)</u>	<u>-</u>
Total Revenues	<u>1,143,413</u>	<u>313,079</u>	<u>1,456,492</u>
Expenses			
Program Expenses			
Campus Club	135,937		135,937
Group Homes and Juvenile Justice	255,063		255,063
YFC Core	36,149		36,149
Various Christian Based Programs	<u>159,841</u>	<u>-</u>	<u>159,841</u>
Total Program Expenses	586,990	-	586,990
Supporting Services			
General & Administrative	256,508		256,508
Fundraising	<u>70,269</u>	<u>-</u>	<u>70,269</u>
Total Supporting Services Expenses	326,777	-	326,777
Total Expenses	<u>913,767</u>	<u>-</u>	<u>913,767</u>
Change in Net Assets	229,646	313,079	542,725
Net Assets at Beginning of Year	<u>1,525,256</u>	<u>-</u>	<u>1,525,256</u>
Net Assets at End of Year	<u>\$ 1,754,902</u>	<u>\$ 313,079</u>	<u>\$ 2,067,981</u>

See accompanying notes and independent accountant's compilation report.

FRESNO MADERA YOUTH FOR CHRIST INC
Statement of Functional Expenses
For the year ended June 30, 2022

	<u>PROGRAM SERVICES</u>				<u>SUPPORTING SERVICES</u>		
	Campus Club	Group Homes and Juvenile Justice	YFC Core	Various Christian based Programs	General and Administrative	Fund Raising	Total Expenses
Accounting	\$ -	\$ -	\$ -	\$ -	\$ 3,000	-	3,000
Amortization Expense	-	-	-	-	55	-	55
Bank Fees	107	58	2	-	8,637	1,495	10,299
Board Expense	-	-	-	-	69	-	69
Depreciation Expense	-	-	-	-	39,667	-	39,667
Development & Promotional	-	525	-	-	8,243	52,406	61,174
Dues & Subscriptions	-	-	-	-	670	-	670
Employee Benefits	7,620	19,304	3,048	-	13,209	7,620	50,801
Facility Expense	15,415	252	-	11,354	9,456	-	36,477
Insurance Expense	188	-	-	19,702	8,015	-	27,905
Ministry Expense	9,451	12,321	-	19,382	1	101	41,256
Miscellaneous Expense	-	-	-	100	-	-	100
National Office Fees	-	-	-	-	24,565	-	24,565
Office Expense	4,395	3,789	-	34,080	9,264	29	51,557
Payroll Taxes	7,392	18,726	2,957	6,130	9,813	4,262	49,280
Professional Fees	390	-	-	251	29,412	384	30,437
Salary	75,355	195,922	30,142	63,714	89,640	55,179	509,952
Staff & Volunteer Expense	14,350	-	-	1,559	616	-	16,525
Staff Development	-	160	-	908	2,176	-	3,244
Vehicle Expense	1,274	4,006	-	2,661	-	40	7,981
	135,937	255,063	36,149	159,841	256,508	121,516	965,014
Less: Special Event Expenses	-	-	-	-	-	(51,247)	(51,247)
Total Expenses	\$ 135,937	\$ 255,063	\$ 36,149	\$ 159,841	\$ 256,508	\$ 70,269	\$ 913,767

See accompanying notes and independent accountant's compilation report.

FRESNO MADERA YOUTH FOR CHRIST INC
Statement of Cash Flows
For the year ended June 30, 2022

Operating Activities

Change in net assets	\$ 542,725
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities	
Depreciation	39,667
Amortization	55
Unrealized Loss on Stocks	1,063
Decrease in Accounts Receivable	2,083
Decrease in Accounts Payable	(1,551)
Decrease in Accrued Expenses	(5,616)
Net Cash Provided (Used) by Operating Activities	35,701

Investing Activities

Construction in Progress	(8,198)
Purchase of Investments	(528)
Net Cash Provided (Used) for Investing Activities	(8,726)

Financing Activities

PPP Loan Forgiven	(113,540)
Net Cash Provided (Used) by Financing Activities	(113,540)

Net increase (decrease) in cash	456,160
Cash and cash equivalents and restricted cash, beginning of year	665,085
Cash and cash equivalents and restricted cash, end of year	<u>\$ 1,121,245</u>

Cash and cash equivalents and restricted cash consist of:

Cash and cash equivalents	\$ 1,058,166
Restricted cash - Capital Project	63,079
	<u>\$ 1,121,245</u>

Supplemental Disclosure of Cash Flow Information

Interest Paid	\$ -
Taxes Paid	\$ -

See accompanying notes and independent accountant's compilation report.

**Notes to Fresno Madera Youth for Christ Inc.
Notes to the Financial Statements
Year Ended June 30, 2022**

NOTE 1: 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, 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, bicycle and skateboard repair.

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of Fresno/Madera Youth for Christ Inc have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments with maturity of three months or less to be cash equivalents. Cash and cash equivalents for purposes of cash flows exclude permanently restricted cash and cash equivalents.

Restricted Cash

These funds have been restricted by donors for capital projects.

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 \$2,500 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.

Net Assets

The financial statements report amounts by class of net assets:

Net assets without donor restrictions: All net assets that are free of donor-imposed stipulations are included in net assets without donor restrictions. They may be designated for specific purposes by action of the Board of Directors.

Net assets with donor restrictions: Net assets are subject to donor-imposed restrictions, either for a specific purpose or subject to the passage of time are included in net assets with donor restrictions. Donor-imposed restrictions can be temporary or perpetual, although the Organization does not have any assets that are perpetually restricted.

**Notes to Fresno Madera Youth for Christ Inc.
Notes to the Financial Statements
Year Ended June 30, 2022**

Accounting for Contributions

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Contributions are recognized in revenue when received or unconditionally promised. Conditional promises to give are recorded in revenue when the conditions are satisfied. Contributions received are recorded as contributions without donor restrictions, or with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. All donor-restricted support is reported as an increase to net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributed Services and Donations of Noncash Assets

Amounts are reported in the financial statements for contributed services when they create or enhance nonfinancial assets or require specialized skills and are provided by individuals that possess those skills, and would typically need to be purchased if not contributed. For year ended June 30, 2022, no amounts for contributed services were recognized. Contributions of donated investments or noncash assets are recorded at their fair values in the period received. The Organization received a vehicle donation with a fair value of \$4,000. The organization used Level 2 inputs to determine value.

Advertising Costs

Advertising/Marketing costs are expensed as incurred. Total advertising/marketing costs for the period are \$2,356.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in these financial statements. Based on management estimates, costs have been allocated among the programs and supporting services as they relate to those functions. For salaries, taxes, employee benefits, fees, ministry, depreciation, staffing, office expenses, travel, and other miscellaneous are allocated based on estimates of time, effort and benefits derived.

Financial Instruments

Carrying values of certain financial instruments, including cash and cash equivalents, accounts payables and accrued expenses, approximated fair values due to the short-term nature of these financial instruments.

Fair Value Measurements

Generally accepted accounting principles provide guidance on how fair value should be determined when financial statement elements are required to be measured at fair value. Valuation techniques are ranked in three levels depending on the degree of objectivity of the inputs used with each level:

Level 1 inputs - quoted prices in active markets for identical assets.

Level 2 inputs - quoted prices in active or inactive markets for the same or similar assets.

Level 3 inputs - estimates using best information available when there is little or no market.

The Organization is required to measure investments at fair value. The technique used to measure the fair value of investments is described in Note 5.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Notes to Fresno Madera Youth for Christ Inc.
Notes to the Financial Statements
Year Ended June 30, 2022**

Tax Status

The Organization is a not-for-profit corporation exempt from federal income tax under Internal Revenue Code Section 501(c)(3) of the U.S. Internal Revenue Code (the Code) and from state and local taxes under comparable laws. Contributions to the Organization are tax deductible within the limitations prescribed by the Code. The Organization has been classified as a church, which is not a private foundation. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have uncertain tax positions that are material to the financial statements. The Organization is subject to income tax examinations for the current year and certain prior years based on the applicable laws and regulations.

NOTE 3: RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions are available for the following purposes:

Restricted by purpose:

Funds for capital improvements	\$ 63,079
Campus Life	100,000
Group Life	<u>150,000</u>
Total	<u>\$313,079</u>

NOTE 4: PROPERTY AND EQUIPMENT

The Organization recorded depreciation expense of approximately \$ 39,650. The Organization also recorded amortization of \$55 for the year ended June 30, 2022.

NOTE 5: INVESTMENTS

Fair values of investments measured on a recurring basis at June 30, 2022 are as follows:

Fair Value Measurements at Reporting Date Using

	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable inputs (Level 2)	Significant Unobservable inputs (Level 3)
Mutual Funds	\$ 6,694	\$ 6,694	\$ 0	\$ 0
Total	<u>\$ 6,694</u>	<u>\$ 6,694</u>	<u>\$ 0</u>	<u>\$ 0</u>

Financial assets valued using level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets valued using level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets.

Notes to Fresno Madera Youth for Christ Inc.
Notes to the Financial Statements
Year Ended June 30, 2022

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended June 30, 2022:

Investment Income:	
Unrealized loss on investments	\$(995)
Interest and dividends	<u>1,290</u>
Total investment income	<u>\$ 295</u>

NOTE 6: CONCENTRATIONS

In the current year, a significant amount of contributions were provided by a few major contributors. It is always considered reasonably possible that benefactors, grantors or contributors might be lost in the near term.

The Organization maintains its cash balances at one financial institution. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2022 the uninsured portion of the balance was approximately \$ 868,500.

NOTE 7: GOVERNMENT GRANTS

In fiscal year 2022 the Organization recognized as income a PPP loan of \$113,540 and also Employer Retention Credits of \$65,002. The Organization applied for and received forgiveness for the PPP loan. The Retention credits are part of the CARES act and received for qualifying wages for quarters that were impacted by COVID.

NOTE 8: 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 \$ 7,820 during the 2022 fiscal year.

NOTE 9: LIQUIDITY AND FUNDS AVAILABLE

The Organization's financial assets available within one year of the balance sheet date for general expenditure are as follows.

Financial assets, at year end	1,127,939
Less those unavailable for general expenditures within one year, due to:	
Net assets with donor restrictions	313,079
Less net assets expected to be used within one year	<u>(250,000)</u>
	63,079
Financial assets available to meet cash needs for general expenditures with one year.	<u>\$ 1,064,860</u>

The Organization maintains sufficient financial assets to meet its general expenditures. The Organization has checking, savings and investment accounts to maintain its cash reserves. If needed the Organization would draw upon its reserves to pay for general expenditures.

Notes to Fresno Madera Youth for Christ Inc.
Notes to the Financial Statements
Year Ended June 30, 2022

NOTE 10: RISKS AND UNCERTAINTIES

In March 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) a pandemic which continues to spread throughout the United States. The duration and impact of the COVID-19 pandemic remains unclear at this time. It is not possible to reliably estimate the impact on the financial position and results of Fresno Madera Youth for Christ Inc. for future periods. Management is carefully monitoring the situation and evaluating its options as circumstances change.

NOTE 11: SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 29, 2022 the date financial statements were available to be issued.