

# NORTHERN COLORADO YOUTH FOR CHRIST



## FINANCIAL STATEMENTS

Year Ended June 30, 2018



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## Independent Accountants' Review Report

Northern Colorado Youth for Christ  
Greeley, Colorado

We have reviewed the accompanying statement of financial position of Northern Colorado Youth for Christ (YFC) as of June 30, 2018, 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 YFC personnel. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing and maintaining internal control relevant to the preparation of the financial statements.

### **Accountant's Responsibility**

Our responsibility is to conduct the review in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

### **Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements for the year ended June 30, 2018, in order for them to be in conformity with accounting principles generally accepted in the United States of America.

*Anderson & Whitney, P.C.*

October 25, 2018

# NORTHERN COLORADO YOUTH FOR CHRIST

## STATEMENT OF FINANCIAL POSITION

June 30	2018
<u>ASSETS</u>	
Cash	\$ 133,937
Inventories	17,796
Property and Equipment, net	65,443
<b>TOTAL ASSETS</b>	<b>\$ 217,176</b>
<u>LIABILITIES</u>	
Accrued Expenses	\$ 25,684
<b>Total Liabilities</b>	<b>25,684</b>
<u>NET ASSETS</u>	
Unrestricted:	
Net Investment in Property and Equipment	65,443
Undesignated	101,279
Temporarily Restricted	24,770
<b>Total Net Assets</b>	<b>191,492</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 217,176</b>

See Accompanying Independent Accountants' Review Report and Notes to Financial Statements.

# NORTHERN COLORADO YOUTH FOR CHRIST

## STATEMENT OF ACTIVITIES

Year Ended June 30	2018		
	Unrestricted	Temporarily Restricted	Total
Support and Revenue:			
Contributions	\$ 243,396	\$ 114,563	\$ 357,959
Grants and Contracts	-	44,236	44,236
Merchandise Sales	46,319	-	46,319
In-Kind Rent	25,800	-	25,800
In-Kind Contributions	7,345	-	7,345
Miscellaneous Income	5,319	-	5,319
Net Assets Released from Restriction	159,254	(159,254)	-
Total Revenue	487,433	(455)	486,978
Expenses:			
Cost of Goods Sold	33,384	-	33,384
Other Program Services	289,813	-	289,813
Management and General	61,265	-	61,265
Fundraising	47,244	-	47,244
Total Expenses	431,706	-	431,706
Increase (Decrease) in Net Assets	55,727	(455)	55,272
Net Assets, beginning of year	110,995	25,225	136,220
Net Assets, end of year	\$ 166,722	\$ 24,770	\$ 191,492

See Accompanying Independent Accountants' Review Report and Notes to Financial Statements.

# NORTHERN COLORADO YOUTH FOR CHRIST

## STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30	2018			
	Program Services	Management and General	Fundraising	Total
Cost of Goods Sold	\$ 33,384	\$ -	\$ -	\$ 33,384
Personnel:				
Salaries	171,006	18,769	18,769	208,544
Payroll taxes	10,904	1,197	1,197	13,297
Health and life insurance	7,212	792	792	8,795
Workers compensation	1,458	160	160	1,778
Contract services	-	100	-	100
Occupancy:				
Maintenance	12,345	686	686	13,717
In-Kind Rent	23,220	1,290	1,290	25,800
Security	806	45	45	895
Telephone and utilities	18,457	1,025	1,025	20,508
Operations:				
Board expense	-	56	-	56
Licenses and fees	250	1,418	-	1,668
Gifts	-	454	-	454
Liability insurance	7,427	3,277	218	10,922
Bank charges	-	5,273	-	5,273
Ministry supplies and resources	17,009	-	11,339	28,348
Miscellaneous	-	745	-	745
Office expenses	4,332	289	1,155	5,776
Postage	808	81	727	1,616
Printing	-	-	-	-
Professional fees	154	874	-	1,028
Training	3,327	185	185	3,697
Travel and conferences	2,278	607	152	3,037
YFC participation	-	12,250	-	12,250
Depreciation	8,727	873	7,854	17,454
Advertising/fundraising	-	9,171	-	9,171
Charitable contributions	-	1,650	1,650	3,300
Mission trips	93	-	-	93
	\$ 323,197	\$ 61,265	\$ 47,244	\$ 431,706

See Accompanying Independent Accountants' Review Report and Notes to Financial Statements.

# NORTHERN COLORADO YOUTH FOR CHRIST

## STATEMENT OF CASH FLOWS

Year Ended June 30	2018
Cash Flows from Operating Activities:	
Cash received from donations, grants, and lease	\$ 486,978
Cash paid to employees and suppliers	(405,096)
Net Cash Provided by Operating Activities	81,882
Cash Flows from Investing Activities:	
Purchase of property and equipment	(7,566)
Net Cash Used by Investing Activities	(7,566)
Net Increase in Cash	74,316
Cash, Beginning of Year	59,621
Cash, End of Year	\$ 133,937
Reconciliation of Change in Net Assets to Net Cash from Operating Activities:	
Increase in Net Assets	\$ 55,272
Adjustments:	
Depreciation	17,454
(Increase) decrease in:	
Inventory	2,346
Increase (decrease) in:	
Accrued liabilities	6,810
Net Cash Provided by Operating Activities	\$ 81,882

See Accompanying Independent Accountants' Review Report and Notes to Financial Statements.

# NORTHERN COLORADO YOUTH FOR CHRIST

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 - Summary of Significant Accounting Policies:

Northern Colorado Youth for Christ (YFC), is a not-for-profit organization incorporated under the laws of the State of Colorado. The accounting and reporting policies of Northern Colorado Youth for Christ conform to accounting principles generally accepted in the United States of America. The following summary of significant accounting policies is presented to assist the reader in evaluating YFC's financial statements.

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#### Financial Statement Presentation:

Net assets, revenue, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of YFC and changes therein are classified and reported as follows:

Unrestricted Net Assets are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets are subject to donor-imposed stipulations that may or will be met, either by actions of YFC and/or the passage of time. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as "net assets released from restrictions." Donor imposed restrictions that are met in the same reporting period in which they were received are generally reported as unrestricted support.

Permanently Restricted Net Assets are subject to donor-imposed stipulations that they be maintained permanently by YFC. Generally, the donors of these assets permit YFC to use all or part of the income earned on related investments for general or specific purposes.

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#### Cash:

YFC maintains bank accounts at a commercial bank. The balances in those accounts may, at times, exceed the FDIC insurance limit. For purposes of the statement of cash flows, YFC considers cash to include all cash on hand and demand bank deposits.

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#### Property and Equipment:

Property and equipment are recorded at acquisition cost or at fair value at date of donation. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets.

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#### Compensated Absences:

YFC has a policy of paying accumulated vacation upon termination of employees. The liability at June 30, 2018 was \$9,571.

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# NORTHERN COLORADO YOUTH FOR CHRIST

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 - Summary of Significant Accounting Policies - Continued:

#### Contributions:

Contribution income is recorded as received. All contributions are available for unrestricted use unless specifically restricted by the donor. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

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#### Functional Allocation of Expenses:

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities.

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#### Donated Services:

Significant amounts of volunteer time are utilized in the organization's programs and administration. However, these services have not been valued and, consequently, no amounts are included in these financial statements for donated services.

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#### Tax Exempt Statutes:

YFC is a non-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). YFC has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) of the IRC. YFC files annually as part of a group return under the auspices of Youth for Christ International, Inc., a parent organization also exempt under IRC 501(c)(3). However, YFC is subject to income tax on unrelated business taxable income. Management believes that such taxes, if any, will not have a material effect on the financial position or results of operations of the YFC. Accordingly, no provision for income taxes has been included in these financial statements.

FASB ASC 740-10 (formerly FASB Interpretation No. 48, "*Accounting for Uncertainty in Income Taxes*") (FIN 48) was issued in July 2006 and requires organization management to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken uncertain tax positions that more-likely-than-not would not be sustained upon examination by applicable taxing authorities. Management has analyzed tax positions taken by the Organization and has concluded that, as of June 30, 2017, there are no uncertain tax positions taken, or expected to be taken, that would require recognition of a liability or that would require disclosure in the financial statements.

# NORTHERN COLORADO YOUTH FOR CHRIST

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 - Summary of Significant Accounting Policies - Continued:

The Organization has not recognized any interest or penalties related to income taxes in the statements activities or the balance sheets. The Organization is subject to routine audits by taxing jurisdictions. However, currently no audits for any tax periods are in progress. Generally, three tax years remain subject to examination by tax jurisdictions.

Tax penalties and interest, if any, would be classified with income tax expense in the financial statements. No tax penalties or interest have been incurred or are recognized in the financial statements.

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#### Advertising:

Advertising costs are expensed as incurred.

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#### Subsequent Events:

Management has evaluated subsequent events through the date the financial statements were available for issuance, which is the same date as the accountants' review report.

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#### Use of Estimates:

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

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### NOTE 2 - Property and Equipment:

June 30	2018
Equipment	\$ 107,424
Leasehold improvements	56,419
	162,843
Less: Accumulated depreciation	(98,400)
	\$ 65,443

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# NORTHERN COLORADO YOUTH FOR CHRIST

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 3 – Concentration of Credit Risk:

The YFC support base is primarily within the northeastern Colorado geographic area.

Northern Colorado Youth for Christ did not have any donors during the year ended June 30, 2018 that comprised more than 10% of the cash donations for the year.

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### NOTE 4 – Operating Leases:

YFC leases real estate on a month-to-month basis in its new location on a pro bono basis from a related party. The fair market value of this lease is \$24,000 per year. For the year ended June 30, 2018, \$24,000 is reflected as contributions and rental expense under this arrangement, respectively.

On October 14, 2015, the Organization entered into a commercial building lease agreement with Briggsdale Baptist Church (the Landlord). The ten year lease, beginning August 1, 2015, and ending August 1, 2025, provides the Organization with land and improvements, including the whole building and parking around the building, located in Briggsdale, Colorado. Annual rent is set at \$1 per year with total rent for the lease period as \$10. The Organization may renew the lease for an extended period of ten years by giving written notice not less than ninety days prior to the expiration of the initial term. The fair market value of this lease is \$7,200 for the year. For the year ended June 30, 2018, \$1,800 is reflected as contributions and rental expense under this arrangement as the lease was terminated November 2017.

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### NOTE 5 – Funding Source

During the fiscal year ended June 30, 2018, YFC received funding from various sources, as follows:

	<u>2018</u>
Public and church contributions	80%
Fundraising and miscellaneous	20%

YFC has engaged in several types of fundraising activities during the year ended June 30, 2018. These fundraising activities are represented in the financial statements as unrestricted revenue. The revenue and related expenses are summarized as follows:

	<u>Revenue</u>	<u>Expenses</u>	<u>Net</u>
Turn Around Bikes Retail	\$ 4,147	\$ 8,672	\$(4,525)
The Refuge Retail Skateboard Shop	34,586	16,437	18,149
Youth for Christ Merchandise Shop	1,795	1,929	(134)
Higher Grounds Coffee Shop	5,791	8,206	(2,415)
Totals	<u>\$ 46,319</u>	<u>\$ 35,244</u>	<u>\$ 11,075</u>

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# NORTHERN COLORADO YOUTH FOR CHRIST

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 6 - Net Assets:

Temporarily restricted net assets consist of the following:

<u>June 30</u>	<u>2018</u>
Donations to support specific individual salaries	\$ 13,766
Turn Around Bikes program	9,560
Refuge program	1,444
<u>Total Temporarily Restricted</u>	<u>\$ 24,770</u>

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