

NASHVILLE YOUTH FOR CHRIST, INC.

Financial Statements

Year Ended June 30, 2020

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Financial Statements
Year Ended June 30, 2020

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To the Board of Directors
Nashville Youth for Christ, Inc.
Nashville, TN

Management is responsible for the accompanying financial statements of Nashville Youth for Christ, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities 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. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

Rodefer Moss & Co, PLLC

Nashville, Tennessee
August 20, 2020

NASHVILLE YOUTH FOR CHRIST, INC.
Statement of Financial Position
June 30, 2020

| | | |
|---|----|-------------------|
| ASSETS | | |
| Current Assets | | |
| Cash | \$ | 237,948 |
| Investments | | 38,370 |
| Prepaid expenses | | <u>3,945</u> |
| Total current assets | | 280,263 |
| Property and Equipment | | |
| Van | \$ | 20,155 |
| Computers | | 9,341 |
| Equipment | | 7,228 |
| Trailer | | <u>2,820</u> |
| | | 39,544 |
| Less accumulated depreciation | | <u>(37,946)</u> |
| Property and equipment, net | | <u>1,598</u> |
| Total assets | | <u>\$ 281,861</u> |
| LIABILITIES AND NET ASSETS | | |
| Current Liabilities | | |
| Payroll taxes payable | \$ | 4,181 |
| Current portion of note payable - SBA/PPP | | <u>17,104</u> |
| | | \$ 21,285 |
| Long-term Liabilities | | |
| Note payable - SBA/PPP | | <u>21,349</u> |
| Total liabilities | | 42,634 |
| Net Assets | | |
| With donor restrictions | | 38,370 |
| Without donor restrictions | | <u>200,857</u> |
| Total net assets | | <u>239,227</u> |
| Total liabilities and net assets | | <u>\$ 281,861</u> |

NASHVILLE YOUTH FOR CHRIST, INC.
Statement of Activities and Changes in Net Assets
Year Ended June 30, 2020

Changes in Net Assets without Donor Restrictions

Revenues

Support

| | | |
|---|---------------|------------|
| Speer Foundation Grant | \$ 100,000 | |
| Golf tournament (net of \$19,808 of expenses) | 48,972 | |
| Spring banquet (net of \$6,497 of expenses) | 10,930 | |
| Memorial Foundation Grant | 15,000 | |
| Teen Moms Christmas | 1,400 | |
| General undesignated contributions | <u>71,388</u> | |
| Total support | | \$ 247,690 |

| | | |
|-----------------|--|-----------|
| Interest income | | <u>93</u> |
|-----------------|--|-----------|

| | | |
|----------------|--|----------------|
| Total revenues | | <u>247,783</u> |
|----------------|--|----------------|

Expenses

Program services

| | | |
|------------------------|------------|---------|
| Salaries | 177,624 | |
| Payroll taxes | 15,135 | |
| Insurance | 10,171 | |
| Parent/Teen Life | 7,032 | |
| Training | 3,007 | |
| Campus Life | 5,089 | |
| City Life | 3,312 | |
| Juvenile Justice | 2,772 | |
| Depreciation | 2,244 | |
| Travel/Camp | 800 | |
| Donations | 13,910 | |
| Vehicle maintenance | <u>287</u> | |
| Total program services | | 241,383 |

NASHVILLE YOUTH FOR CHRIST, INC.
Statement of Activities and Changes in Net Assets (Continued)

| | | |
|---|----|--------------------------|
| Expenses (continued) | | |
| Management and general | | |
| Officer salary | \$ | 20,222 |
| Charter fee | | 7,080 |
| Office and printing | | 2,998 |
| Credit card charges | | 2,920 |
| Accounting | | 1,000 |
| Postage | | 374 |
| Telephone | | 955 |
| Taxes - other | | 220 |
| Web services | | <u>163</u> |
| Total management and general | | <u>\$ 35,932</u> |
| Total expenses | | <u>277,315</u> |
| Decrease in net assets without donor restrictions | | <u>(29,532)</u> |
| Changes in Net Assets with Donor Restrictions | | |
| Support | | |
| Bumpus Memorial Scholarship Fund | | 41,721 |
| Investment income | | |
| Dividends and interest | | 471 |
| Unrealized loss on investments | | <u>(1,822)</u> |
| Total investment income | | (1,351) |
| Net assets released from restrictions | | <u>(2,000)</u> |
| Increase in net assets with donor restrictions | | 38,370 |
| Increase in net assets | | 8,838 |
| Net assets at the beginning of the year | | <u>230,389</u> |
| Net assets at the end of the year | | <u><u>\$ 239,227</u></u> |

NASHVILLE YOUTH FOR CHRIST, INC.
Statement of Cash Flows
Year Ended June 30, 2020

| | |
|---|-------------------|
| Cash Flows From Operating Activities | |
| Increase in net assets | \$ 8,838 |
| Adjustments to reconcile increase in net assets to net cash flows from operating activities: | |
| Depreciation | 2,244 |
| Unrealized loss on investments | 1,822 |
| Increase in Assets: | |
| Prepaid expenses | (1,445) |
| Increase (decrease) in liabilities: | |
| Payroll taxes payable | 1,148 |
| Deferred revenue - golf tournament | (7,500) |
| Note payable - SBA/PPP | <u>38,453</u> |
| Net cash flows from operating activities | 43,560 |
| Cash Flows From Investing Activities | |
| Purchases of investments | <u>(40,193)</u> |
| Net increase in cash | 3,367 |
| Cash at the beginning of the year | <u>234,581</u> |
| Cash at the end of the year | <u>\$ 237,948</u> |

NASHVILLE YOUTH FOR CHRIST, INC.
Notes to Financial Statements
June 30, 2020

NOTE 1 - NATURE OF ACTIVITIES

Nashville Youth for Christ, Inc., a nonprofit corporation, (the "Organization") is incorporated to provide counseling services for youth with special programs such as Parent/Teen Life, Campus Life, City Life, and Juvenile Justice Programs in middle and high schools. The Organization is supported primarily by grants and donations from individuals, businesses, and churches.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Organization have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to nonprofit organizations. The following is a summary of the more significant accounting policies:

Basis of Presentation - The accompanying financial statements have been prepared on the accrual basis of accounting.

The Organization is required to report information regarding its financial position and activities based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor restrictions. If net assets without donor restrictions have been designated by the board of directors to retain as investments, they will be reported as board designated net assets without donor restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. 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. At June 30, 2020, net assets with donor restrictions totaled \$38,370, which was made up of the Bumpus Memorial Scholarship Fund. The Bumpus Memorial Scholarship Fund was established in order to provide annual scholarships to students who are actively involved in the Organization.

Recognition of Revenue and Expense - Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

All donor-restricted contributions are reported as an increase to temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Property and Equipment - The Organization capitalizes property and equipment over \$500. Lesser amounts are expensed. Purchased property and equipment are carried at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies temporarily restricted net assets at that time. Property and equipment are depreciated using the straight-line method over the estimated useful life of the asset, generally five years. Upon disposition, the cost and related accumulated depreciation are removed from the accounts and the difference is reflected as a gain or loss for the period.

NASHVILLE YOUTH FOR CHRIST, INC.
Notes to Financial Statements (Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Services - Donated services should be recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. During the year ended June 30, 2020, the value of donated services meeting the above requirements for recognition in the financial statements was not material and has not been recorded. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization.

Federal Income Tax - The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code; accordingly no provision has been made for federal income tax in the accompanying financial statements. The Organization files Form 990, *Return of Organization Exempt from Income Tax*, on an annual basis. Forms 990 for the years ending June 30, 2017 and thereafter are subject to examination by the IRS, generally for three years after the date the returns are filed.

Concentrations of Credit Risk - Financial instruments which potentially subject the Organization to concentrations of credit risk consist primarily of bank deposits. The Organization places its cash with financial institutions which at times may be in excess of the FDIC insured limit. The Organization has not experienced any losses in its cash accounts and does not believe it is exposed to any significant credit risks related to uninsured amounts. At June 30, 2020, the Organization's cash balances did not exceed the FDIC insurance limit.

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

Investments - The Organization invests in publicly traded stocks and mutual funds. These investment securities are subject to the risks common to financial markets, including interest rate risks, credit risks, and overall market risks, all of which could affect the value of the investments in the future.

Change in Accounting Principle - On August 18, 2016 the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Not-For-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification and requires additional information about liquidity, availability of resources, expenses and investment return. The Organization has implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly. The adoption of the ASU did not have a material effect to the Organization's financial position or operations.

Date of Managements Review - Management has evaluated events and transactions occurring subsequent to June 30, 2020 for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through the date of the report, which is the date these financial statements were available to be issued.

NOTE 3 - FUNCTIONAL ALLOCATION OF EXPENSES

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

NOTE 4 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure within one year of the statement of financial position consist of cash of \$237,948. The Organization's liquidity management plan is to maintain these cash reserves in a standard bank account. The Organization's cash reserves are not encumbered by any donor or board restrictions.

NASHVILLE YOUTH FOR CHRIST, INC.
Notes to Financial Statements (Continued)

NOTE 5 - CONCENTRATIONS

The Speer Foundation Grant accounted for 40% of the Organization's revenues for the year ended June 30, 2020. In addition, the Organization's Golf Tournament fundraising event accounted for 20% of the Organization's revenues for the year ended June 30, 2020.

NOTE 6 – FAIR VALUE MEASUREMENTS

The consolidated financial statements reflect the accounting standard related to fair value measurements, which provides a comprehensive framework for measuring fair value and expands required disclosures concerning fair value measurements. Specifically, the standard sets forth a definition of fair value and establishes a hierarchy prioritizing the inputs to valuation techniques, giving the highest priority to quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable value inputs.

The standard defines levels within the hierarchy of inputs as follows:

- Level 1 - Inputs are unadjusted quoted prices in active markets for identical assets or liabilities the Organization has the ability to access at the measurement date.
- Level 2 - Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs).
- Level 3 - Unobservable inputs reflect the Organization's judgments about the assumptions market participants would use in pricing the asset or liability since limited market data exists. The Organization develops these inputs based on the best information available, including its own data.

Cash and cash equivalents in the amount of \$2,710 at June 30, 2020 are included in the investment balance; however cash and cash equivalents are not subject to fair value disclosure requirements. Other investments are valued at the closing price reported on the active market on which the individual securities are traded. There have been no changes in the methodologies used to value investments at June 30, 2020. In accordance with the Fair Value Measurements Topic of the FASB Accounting Standards Codification, the following tables represent the Agency's fair value hierarchy for financial assets measured at fair value on a recurring basis as of June 30, 2020. The tables also set forth the respective levels to which the fair value measurements are classified within the fair value hierarchy.

NOTE 7 - INVESTMENTS

Investments are stated at fair value. The following summarizes investments at June 30, 2020:

| | <u>Fair Value at June 30, 2020</u> | | |
|--------------------|------------------------------------|--------|--|
| Equities | \$ | 449 | |
| Mutual funds | | 35,211 | |
| Money market funds | | 2,710 | |
| Fair market value | \$ | 38,370 | |

The investment return for the year ended June 30, 2020 is as follows:

| | | | |
|-----------------|----|---------|--|
| Unrealized loss | | (1,822) | |
| Total | \$ | (1,351) | |

NASHVILLE YOUTH FOR CHRIST, INC.
Notes to Financial Statements (Continued)

NOTE 8 - NOTE PAYABLE

Note payable at June 30, 2020 consisted of:

| | |
|--|------------------|
| Paycheck Protection Program loan payable to a financial institution, due in monthly installments of \$2,164 including interest at 1%. Payments beginning November 2020 and maturing in April 2022. | \$ 38,453 |
| Less installments due within one year | <u>17,104</u> |
| | <u>\$ 21,349</u> |

Maturities of installment note payable are summarized as follows:

| Year Ending June 30, | |
|----------------------|------------------|
| 2021 | \$ 17,104 |
| 2022 | <u>21,349</u> |
| | <u>\$ 38,453</u> |

NOTE 9 - RISKS AND UNCERTAINTIES

On March 11, 2020, the World Health Organization designated COVID-19 a world health pandemic. Our existing contingency and disaster preparedness plans give management the tools necessary to guide the Organization through such circumstances. We have evaluated the short-term and long-term impacts of this pandemic on the Organization, the outcome of which is not predictable with assurance, and it is possible that the Organization could be affected negatively by these circumstances. Although the ultimate financial impact of this pandemic cannot be ascertained, the Organization's management believes that any resulting financial impact should not materially affect the financial position of the Organization as of June 30, 2020.

On March 27, 2020, President Trump signed into law the "Coronavirus Aid, Relief, and Economic Security (CARES) Act." The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, and increased limitations on qualified charitable contributions.

It also appropriated funds for the SBA Paycheck Protection Program (PPP) loans that are forgivable in certain situations to promote continued employment, as well as Economic Injury Disaster Loans to provide liquidity to small businesses harmed by COVID-19. As discussed in Note 8, the Organization has received a PPP loan of approximately \$38,000. The Organization's management believes the full amount of the loan will be eligible for forgiveness.