



Financial Statements
June 30, 2022 and 2021



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
East Bay Asian Youth Center
Oakland, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of East Bay Asian Youth Center (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years 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 East Bay Asian Youth Center as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with 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. 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 East Bay Asian Youth Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, 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 East Bay Asian Youth Center'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 and *Government 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 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

In performing an audit in accordance with generally accepted auditing standards and *Government 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 purpose of expressing an opinion on the effectiveness of East Bay Asian Youth Center'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 East Bay Asian Youth Center'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.



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Supplementary Information

Our audit was conducted 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. In addition, the accompanying Schedule of Alameda County Awards is presented for additional analysis and is also not a required part of the financial statements of East Bay Asian Youth Center. 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2023, on our consideration of East Bay Asian Youth Center'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 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 the effectiveness of East Bay Asian Youth Center's 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 East Bay Asian Youth Center's internal control over financial reporting and compliance.

Grant Bennett Associates

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A PROFESSIONAL CORPORATION
Certified Public Accountants

Rancho Cordova, California
March 27, 2023



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FINANCIAL STATEMENTS



**East Bay Asian Youth Center
Statements of Financial Position
June 30, 2022 and 2021**

	2022	2021
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 749,319	\$ 461,356
Contracts and Grants Receivable	1,518,352	657,510
Prepaid Expenses	57,652	55,997
Investments	<u>41,720</u>	<u>30,877</u>
Total Current Assets	<u>2,367,043</u>	<u>1,205,740</u>
Other Assets:		
Property and Equipment, net	480,257	490,095
Deposits	<u>2,977</u>	<u>2,977</u>
TOTAL ASSETS	\$ 2,850,277	\$ 1,698,812
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts Payable & Accrued Expenses	\$ 366,537	\$ 359,731
Accrued Vacation	137,847	143,085
Loan Payable - PPP Loan Short Term	-	120,830
Deferred Revenue	<u>279,799</u>	<u>360,870</u>
Total Current Liabilities	<u>784,183</u>	<u>984,516</u>
Total Liabilities	<u>784,183</u>	<u>984,516</u>
Net Assets:		
Without Donor Restrictions	1,889,759	370,901
With Donor Restrictions	<u>176,335</u>	<u>343,395</u>
Total Net Assets	<u>2,066,094</u>	<u>714,296</u>
TOTAL LIABILITIES AND NET ASSETS	\$ 2,850,277	\$ 1,698,812

The accompanying notes are an integral part of these financial statements.



East Bay Asian Youth Center
Statement of Activities and Changes in Net Assets
For the Years Ended June 30, 2022 and 2021

	2022	2021
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Support and Revenues		
Support:		
Government Contracts	\$ 6,447,909	\$ 5,484,988
PPP Loan Revenue	120,830	892,770
Donations	<u>167,723</u>	<u>157,737</u>
Total Support	<u>6,736,462</u>	<u>6,535,495</u>
Revenue:		
Fee for Service	8,000	140,448
Fundraising Income	1,047	16,012
Student Fees	-	2,375
Other Income	65,413	8,110
Interest and Dividend Income	866	652
Unrealized Gain (Loss) on Investments	9,982	2,997
Net Assets Released from Restrictions	<u>1,734,647</u>	<u>196,640</u>
Total Revenue	<u>1,819,955</u>	<u>367,234</u>
Total Support and Revenue	<u>8,556,417</u>	<u>6,902,729</u>
Expenses:		
Program Services	6,186,054	5,697,321
Supporting Services:		
Management and General	781,039	902,297
Fundraising	<u>70,466</u>	<u>17,896</u>
Total Expenses	<u>7,037,559</u>	<u>6,617,514</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>1,518,858</u>	<u>285,215</u>
NET ASSETS WITH DONOR RESTRICTIONS		
Foundation and Corporate Support	1,532,587	395,500
Donations	35,000	19,800
Net Assets Released from Restrictions	<u>(1,734,647)</u>	<u>(196,640)</u>
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>(167,060)</u>	<u>218,660</u>
CHANGE IN NET ASSETS	1,351,798	503,875
NET ASSETS AT BEGINNING OF YEAR	714,296	210,421
NET ASSETS AT END OF YEAR	<u>\$ 2,066,094</u>	<u>\$ 714,296</u>

The accompanying notes are an integral part of these financial statements.



**East Bay Asian Youth Center
Statement of Functional Expenses
For the Year Ended June 30, 2022**

	Program Services	Management and General	Fundraising	Total
Salaries	\$ 4,263,686	\$ 307,642	\$ 43,000	\$ 4,614,328
Health Benefits	353,169	67,174	3,528	423,871
Pension	26,738	7,437	-	34,175
Life Insurance	-	361	-	361
Payroll Taxes	360,139	17,817	3,184	381,140
Workers Compensation	49,885	1,643	279	51,807
Contractual	364,182	37,600	13,050	414,832
Performance Management	-	-	-	-
Stipends	280,859	-	-	280,859
Accounting Service	-	35,393	-	35,393
Personnel Service	-	37,017	-	37,017
Board Development	-	-	-	-
Professional Development	6,572	5,000	-	11,572
Telecommunications	3,426	12,355	-	15,781
Communications/Subscriptions	-	22,290	-	22,290
Facilities	4,480	57,964	-	62,444
Rent	34,110	22,995	-	57,105
Property Tax	-	19,213	-	19,213
Security	-	2,397	-	2,397
Reprographics	-	8,682	-	8,682
Field Trip/Transportation	42,787	-	-	42,787
Finance Charges/Fees	96	13,027	-	13,123
Depreciation	-	12,333	-	12,333
Program Activities	372,145	3,359	4,756	380,260
Supplies and Services	-	44,644	2,669	47,313
Donation	22,445	1,300	-	23,745
Insurance	-	20,839	-	20,839
Utilities	1,335	22,557	-	23,892
Total Expenses	\$ 6,186,054	\$ 781,039	\$ 70,466	\$ 7,037,559

The accompanying notes are an integral part of this schedule.



**East Bay Asian Youth Center
Statement of Functional Expenses
For the Year Ended June 30, 2021**

	Program Services	Management and General	Fundraising	Total
Salaries	\$ 4,188,057	\$ 415,391	\$ -	\$ 4,603,448
Health Benefits	362,325	60,157	-	422,482
Pension	25,245	8,567	-	33,812
Life Insurance	-	732	-	732
Payroll Taxes	354,344	31,980	-	386,324
Workers Compensation	48,083	2,755	-	50,838
Contractual	212,973	122,564	15,120	350,657
Performance Management	-	13,034	-	13,034
Stipends	123,052	(400)	-	122,652
Accounting Service	-	29,193	-	29,193
Personnel Service	-	33,268	-	33,268
Board Development	-	385	-	385
Professional Development	300	-	-	300
Telecommunications	3,416	11,137	-	14,553
Communications/Subscriptions	-	4,500	-	4,500
Facilities	-	13,510	-	13,510
Rent	24,497	23,400	-	47,897
Property Tax	-	13,561	-	13,561
Security	-	2,426	-	2,426
Reprographics	-	10,847	-	10,847
Field Trip/Transportation	-	-	-	-
Finance Charges/Fees	10	5,248	-	5,258
Depreciation	-	13,788	-	13,788
Program Activities	248,844	(225)	-	248,619
Supplies and Services	950	44,512	2,776	48,238
Donation	103,525	1,500	-	105,025
Insurance	-	18,665	-	18,665
Utilities	1,700	21,802	-	23,502
Total Expenses	\$ 5,697,321	\$ 902,297	\$ 17,896	\$ 6,617,514

The accompanying notes are an integral part of this schedule.



East Bay Asian Youth Center
Statement of Cash Flows
For the Years Ended June 30, 2022 and 2021

	2022	2021
NET CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 1,351,798	\$ 503,875
<i>Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities:</i>		
Depreciation	12,333	13,788
Forgiveness of PPP Loan	(120,830)	(892,770)
Unrealized (Gain) Loss on Investments	(9,982)	(2,997)
<u>(Increase)/Decrease In Assets:</u>		
Contracts and Grants Receivable	(860,842)	(182,781)
Prepaid Expenses	(1,655)	(2,579)
Deposits	-	(1,262)
<u>Increase/(Decrease) In Liabilities:</u>		
Accounts Payable & Accrued Expenses	6,806	(42,520)
Accrued Vacation	(5,238)	2,230
Deferred Revenue	<u>(81,071)</u>	<u>(45,229)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>291,319</u>	<u>(650,245)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	\$ (2,495)	\$ -
Purchase of Investments	<u>(861)</u>	<u>(652)</u>
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>(3,356)</u>	<u>(652)</u>
NET CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal Payments on Notes Payable	<u>-</u>	<u>(101,000)</u>
NET CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>	<u>(101,000)</u>
NET INCREASE/(DECREASE) IN CASH	287,963	(751,897)
CASH AT BEGINNING OF YEAR	461,356	1,213,253
CASH AT END OF YEAR	<u>\$ 749,319</u>	<u>\$ 461,356</u>
Supplemental Disclosure:		
Interest Paid	\$ -	\$ 3,201

The accompanying notes are an integral part of these financial statements.



**East Bay Asian Youth Center
Notes to the Financial Statements
June 30, 2022 and 2021**

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES:

A. Organization

East Bay Asian Youth Center (EBAYC, "the Organization"), is a California nonprofit public benefit corporation dedicated to inspiring young people to be life-long builders of a just and compassionate multi-cultural society. The organization works to build neighborhoods into places that foster the healthy development of young people by providing children, youth, and young adults a continuum of support, and engage families in making positive community change.

B. Basis of Accounting

EBAYC prepares its financial statements using the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when they are incurred.

C. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amount of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses as of the date and for the period presented. Actual results could differ from these estimates.

D. Income Taxes

EBYC is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is exempt from California franchise taxes under Section 23701d of the Revenue and Taxation Code, though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

E. Cash and Cash Equivalents

Cash and cash equivalents are defined as cash in banks and certificates of deposits used for operations.

**East Bay Asian Youth Center
Notes to the Financial Statements
June 30, 2022 and 2021**

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued):

F. Net Assets

EBAYC is required to report 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. Accordingly, all financial transactions have been recorded and reported by net asset class as follows:

Net assets without donor restrictions - these generally result from revenue generated by receiving unrestricted contributions, providing services, and receiving interest from investment less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

Net assets with donor restrictions - these are gifts of cash and other assets received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without restrictions and reported in the Statement of Activities as net assets released from restrictions.

G. Contributions and Pledges Receivable

Unconditional contributions, including pledges recorded at estimated net realizable value, are recognized as revenue when an individual, family or corporation commits to an amount to be paid in the future. EBAYC reports unconditional contributions as restricted support if they are received with donor stipulations that limit the use of the donated assets.

H. Property and Equipment

Property and equipment are recorded at cost if purchased or at fair value at the date of donation if donated. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets. Maintenance and repair costs are charged to expense as incurred. Property and equipment are capitalized if the cost of an asset is greater than or equal to five thousand dollars and the useful life is greater than one year.

I. Accounts Receivable

Accounts receivable are primarily from governmental agencies. EBAYC considers these receivables to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

**East Bay Asian Youth Center
Notes to the Financial Statements
June 30, 2022 and 2021**

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES - (Continued):

J. Investments

EBAYC values its investments at fair value. Unrealized gains or losses (including investments bought, sold and held during the year) are reflected in the Statement of Activities as gain (loss) on investments. Short-term, highly liquid money market deposits and certificates of deposit that are not used for operations are treated as investments.

K. Revenue Recognition

Contributions received are recorded as increases in Net Assets With Donor Restrictions or increases in Net Assets Without Donor Restrictions, depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as increases in 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.

EBAYC has reviewed the principles for recognizing contract revenue and the accounting guidance for contributions received and made under standards (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606) and (ASU) 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958); and found there to be no significant changes in the way the Organization recognizes revenue, and therefore no changes to previously issued audited statements have been required on a retrospective basis.

L. Donated Materials and Services

Contributions of donated non-cash assets are recorded at fair market value in the period received. Contributions of donated services that creates or enhance non-financial assets or that require specialized skills are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at fair market value in the period received.

M. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit. EBAYC uses program headcount to allocate indirect costs.

N. Advertising

The costs of advertising are expensed as incurred. During the years ended June 30, 2022 and 2021 no advertising costs were charged to expense.



East Bay Asian Youth Center
Notes to the Financial Statements
June 30, 2022 and 2021

NOTE 2 - CASH AND CASH EQUIVALENTS:

At June 30, 2022 and 2021, cash and cash equivalents consisted of:

	2022	2021
California Bank & Trust	\$ 2,861	\$ 2,984
City National Bank	506,756	443,714
First Republic Bank	19,418	14,658
Community Bank of the Bay	215,564	-
Petty Cash	4,720	-
Total	\$ 749,319	\$ 461,356

NOTE 3 - INVESTMENTS:

Accounting Standards generally accepted in the United States of America (GAAP) have established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under GAAP are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and are unobservable (i.e. supported by little or no market activity).

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.



**East Bay Asian Youth Center
Notes to the Financial Statements
June 30, 2022 and 2021**

NOTE 3 - INVESTMENTS (Continued):

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value at June 30, 2022:

Investment Category	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Cash Investments	\$ 4,676	\$ 4,676	-	\$ -
Equities	28,758	28,758	-	-
Mutual Funds	8,286	8,286	-	-
Total	\$ 41,720	\$ 41,720	-	\$ -

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value at 2021:

Investment Category	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Cash Investments	\$ 3,891	\$ 3,891	-	\$ -
Equities	26,986	26,986	-	-
Mutual Funds	-	-	-	-
Total	\$ 30,877	\$ 30,877	-	\$ -

NOTE 4 - CONTRACTS AND GRANT RECEIVABLES:

At June 30, 2022 and 2021, contract and grants receivable consisted of:

	2022	2021
Government Grants	\$ 1,466,235	\$ 589,488
Foundation & Corporate Support	42,199	58,072
Other	9,918	9,950
Total	\$ 1,518,352	\$ 657,510



East Bay Asian Youth Center
Notes to the Financial Statements
June 30, 2022 and 2021

NOTE 5 - PROPERTY AND EQUIPMENT:

Property and equipment as of June 30, 2022 and 2021 are summarized by major classification as follows:

	2022		2021
Building	\$ 248,532	\$	248,532
Land	220,741		220,741
Equipment	74,795		72,300
Leasehold Improvements	<u>128,183</u>		<u>128,183</u>
	672,251		669,756
Accumulated Depreciation	<u>(191,994)</u>		<u>(179,661)</u>
Net Property and Equipment	<u>\$ 480,257</u>	<u>\$</u>	<u>490,095</u>

Depreciation expense for the years ended June 30, 2022 and 2021 was \$12,333 and \$13,788, respectively.

NOTE 6 - PPP LOAN PAYABLE:

On April 20, 2020, the Organization received a loan from Live Oak Banking Company (the Lender) in the aggregate amount of \$1,013,600, pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act, which was enacted March 27, 2020.

The loan, which was in the form of a Note dated April 20, 2020 issued by the Lender, was to mature on April 20, 2022 and bears interest at a rate of 1% per annum. The note may be prepaid by the Organization at any time prior to maturity with no prepayment penalties. Funds from the loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act.

As of June 30, 2021, the Organization had spent and had earned a total of \$892,770 from the PPP loan. The remaining balance of \$120,830 was earned and the loan forgiven in full during the year ended June 30, 2022.

NOTE 7 - LINE OF CREDIT:

The Organization has a \$300,000 line of credit with a bank, charged annual interest of 1% over the index. The line of credit matures on January 22, 2023. As of June 30, 2022 and 2021, the outstanding balance was \$0.



**East Bay Asian Youth Center
Notes to the Financial Statements
June 30, 2022 and 2021**

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS:

At June 30, 2022 and 2021, net assets with donor restrictions which are restricted for specified purposes consisted of the following:

	2022	2021
Charley Kids Foundation	\$ 14,699	\$ 18,032
San Francisco Foundation	-	286
Asian Health Services	5,100	-
California Endowment	-	25,000
Quest	-	12,769
Allstate Foundation	-	40,000
Asian Pacific Fund	-	20,000
Hellar Family Foundation	-	1,000
Blue Shield of California	-	20,000
CAF/Nike	-	25,000
Crescent Porter	47,196	40,000
RMS/Music Program	9,067	12,023
Hellman Foundation	74,679	10,000
Red String Foundation	5,500	-
SFF	-	20,000
Jeremy Lin Foundation	-	40,000
Stupski Foundation	-	50,000
Other	20,094	9,285
Net Property and Equipment	\$ 176,335	343,395

NOTE 9 - CONCENTRATION OF CREDIT RISK ARISING FROM CASH DEPOSITS IN EXCESS OF INSURED LIMITS:

The Organization maintains its cash balances in high-credit quality financial institutions. The balances at each financial institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times, balances in the Organization's cash accounts may exceed federally insured limits, however, the Organization has not experienced any losses in such accounts and believes they are not exposed to any significant credit risk on cash.



East Bay Asian Youth Center
Notes to the Financial Statements
June 30, 2022 and 2021

NOTE 10 - CONCENTRATION OF REVENUE:

The Organization receives a substantial amount of its support from federal, state, and county governments. A significant reduction in the level of this support, if this were to occur, may have an effect on the Organization's program and activities.

During the years ended June 30, 2022 and 2021, the Organization received 64% and 65%, respectively, of its support from two sources as follows:

	2022	2021
Oakland Unified School District	\$ 3,578,639	\$ 2,836,117
City of Oakland	1,800,448	1,831,698

NOTE 11 - LEASE COMMITMENTS:

The Organization leases office space in Oakland and Sacramento, California. The Organization also leases a copy machine. The Oakland office lease expires on September 30, 2022. The Sacramento office lease expired on January 31, 2019. In February 2019, the Sacramento office was renewed on a month to month basis. The copy machine lease expires on September 1, 2023. Rental expense incurred on operating leases in effect during the years ended June 30, 2022 and 2021, was \$57,105 and \$47,897, respectively.

The following is a schedule of the future minimum lease payments under these operating leases for the year ended June 30:

2023	\$ 9,900
2024	750



East Bay Asian Youth Center
Notes to the Financial Statements
June 30, 2022 and 2021

NOTE 12 - LIQUIDITY AND AVAILABILITY OF RESOURCES:

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

Cash and Cash Equivalents	\$ 749,319
Contracts and Grants Receivable	1,518,352
Investments	<u>41,720</u>
Total Financial Assets	2,309,391
Less those financial assets unavailable for general expenditures within one year due to:	
Cash Restricted by Donor for Specific Uses	<u>(176,335)</u>
Financial assets available within one year to meet cash needs for general expenditures	<u>\$ 2,133,056</u>

EBAYC has \$2,133,056 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures including cash of \$749,319. The contracts and grants receivable are subject to implied time restrictions but are expected to be collected within one year.

EBAYC has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 60 days of normal operating expenses, which are, on average, approximately \$1,100,000. EBAYC has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

In addition, as part of its liquidity management, EBAYC has a line of credit in the amount of \$300,000. At June 30, 2022 the Organization had not drawn on the line of credit.

NOTE 13 - RETIREMENT PLAN:

The Organization has a defined contribution plan as established under Internal Revenue Code Section 403(b) (the Plan). All full-time employees are eligible for participation in the Plan and become 100% vested after five years. For each Plan year, the Organization will contribute 50% of any amounts contributed by participating employees. The maximum the Organization will contribute is an amount equal to 5% of the participating employees' total annual salary. Total contributions made by the Organization for the years ended June 30, 2022 and 2021, were \$34,175 and \$33,810, respectively.



**East Bay Asian Youth Center
Notes to the Financial Statements
June 30, 2022 and 2021**

NOTE 14 - SUBSEQUENT EVENTS:

Management of EBAYC has evaluated its subsequent events through March 27, 2023, the date the financial statements were available to be issued, to determine whether there were any disclosures necessary to keep the financial statements from being misleading. Management found no subsequent events which were required to be disclosed.

SUPPLEMENTARY INFORMATION



**East Bay Asian Youth Center
Schedule of Alameda County Awards
For the Year Ended June 30, 2022**

County Grantor/Pass Through Grantor Program	Identification Number	Contract Period	Contract Amount	Contract Expenditures	Amount Received
Alameda County Health Care Agency					
Youth & Family Opportunity Initiative	OHYFO1	FY21/22	\$ 118,525	\$ 118,525	\$ 95,014
Center for Healthy Schools & Communities - School Health Centers	OHSBH1	FY21/22	120,805	120,805	43,306
			\$ 239,330	\$ 239,330	\$ 138,320



**East Bay Asian Youth Center
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022**

Federal Grantor/Pass-Through Grantor/Program Title	Federal Catalog Number	Federal Expenditures
U.S. Department of Education		
California Department of Education		
Passed Through Oakland Unified School District		
Twenty-First Century Community Learning Center	84.287	912,436
Total U.S. Department of Education and Total Federal Expenditures		\$ 912,436

Note A: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of East Bay Asian Youth Center, under programs of the federal government for the year ended June 30, 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 operations of East Bay Asian Youth Center, it is not intended to and does not present the financial position, changes in net assets, or cash flows of East Bay Asian Youth Center.

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 the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) East Bay Asian Youth Center has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

OTHER REPORTS

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 Directors
East Bay Asian Youth Center
Oakland, California

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 East Bay Asian Youth Center (a nonprofit organization), 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, and have issued our report thereon dated March 27, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered East Bay Asian Youth Center's internal control over financial reporting (internal control) as a basis for designing 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 East Bay Asian Youth Center's internal control. Accordingly, we do not express an opinion on the effectiveness of East Bay Asian Youth Center'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.



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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether East Bay Asian Youth Center's financial statements are free of 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 financial statements. 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*.

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



GRANT BENNETT ASSOCIATES
A PROFESSIONAL CORPORATION
Certified Public Accountants

Rancho Cordova, California
March 27, 2023



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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
East Bay Asian Youth Center
Oakland, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited East Bay Asian Youth Center's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of East Bay Asian Youth Center's major federal programs for the year ended June 30, 2022. East Bay Asian Youth Center'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, East Bay Asian Youth Center 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 June 30, 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 East Bay Asian Youth Center and to meet our other 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 East Bay Asian Youth Center'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 East Bay Asian Youth Center's federal programs.



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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 to express an opinion on East Bay Asian Youth Center'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 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 East Bay Asian Youth Center'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 East Bay Asian Youth Center'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 East Bay Asian Youth Center'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 East Bay Asian Youth Center'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.



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Report on Internal Control Over Compliance (Continued)

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 or significant deficiencies may exist that were not identified.

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.



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Rancho Cordova, California
March 27, 2023



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AUDITOR'S RESULTS

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East Bay Asian Youth Center
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	None
Significant control deficiency(s) identified that are not considered to be material weakness(es)?	None Reported
Noncompliance material to financial statements noted?	None

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	None
Significant control deficiency(s) identified that are not considered to be material weakness(es)?	None Reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	None

Identification of major program(s):

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
84.287	Twenty-First Century Community Learning Centers

For the 2022 Single Audit, the threshold used to distinguish between Type A and Type B programs was \$750,000.

The organization was identified as a low risk auditee for the year ended June 30, 2022.

Findings relating to the financial statements which are required to be reported in accordance with GAGAS?	None Reported
Findings and questioned costs for federal awards including audit finding defined in the uniform guidance?	None Reported

**East Bay Asian Youth Center
Schedule of Prior Year Findings and Questioned Costs
For the Year Ended June 30, 2021**

There were no prior year findings to report on.