



**Financial Statements**  
**June 30, 2023 and 2022**





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## INDEPENDENT AUDITORS' REPORT

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

### **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, 2023 and 2022, 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, 2023 and 2022, 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 the 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.



## ***Report on Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Alameda County Awards is presented for purposes of additional analysis and is not a required part of the financial statements. 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 information 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 January 18, 2024, 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*

GRANT BENNETT ASSOCIATES  
A PROFESSIONAL CORPORATION  
Certified Public Accountants

Rancho Cordova, California  
January 18, 2024



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## **FINANCIAL STATEMENTS**



**East Bay Asian Youth Center**  
**Statement of Financial Position**  
**June 30, 2023 and 2022**

	2023	2022
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 1,206,314	\$ 749,319
Contracts and Grants Receivable	2,088,749	1,518,352
Prepaid Expenses	56,047	57,651
Investments	<u>45,678</u>	<u>41,720</u>
Total Current Assets	<u>3,396,788</u>	<u>2,367,042</u>
Other Assets:		
Property and Equipment, Net	465,429	480,257
Deposits	2,977	2,977
Operating Lease - Right-of-Use Asset, net	115,737	-
<b>TOTAL ASSETS</b>	<b>\$ 3,980,931</b>	<b>\$ 2,850,276</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities:		
Accounts Payable & Accrued Expenses	\$ 470,887	\$ 366,536
Accrued Vacation	147,054	137,847
Operating Lease Liability, current portion	42,769	-
Deferred Revenue	<u>712,564</u>	<u>279,799</u>
Total Current Liabilities	<u>1,373,274</u>	<u>784,182</u>
Operating Lease Liability, Net of Current Portion	<u>75,204</u>	<u>-</u>
Total Liabilities	<u>1,448,478</u>	<u>784,182</u>
Net Assets:		
Without Donor Restrictions	1,757,178	1,889,759
With Donor Restrictions	<u>775,275</u>	<u>176,335</u>
Total Net Assets	<u>2,532,453</u>	<u>2,066,094</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 3,980,931</b>	<b>\$ 2,850,276</b>

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, 2023 and 2022**

	2023	2022
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
Support and Revenues		
Support:		
Government Contracts	\$ 6,968,186	\$ 6,447,909
PPP Loan Revenue	-	120,830
Donations	<u>104,236</u>	<u>167,723</u>
Total Support	<u>7,072,422</u>	<u>6,736,462</u>
Revenue:		
Fee for Service	-	8,000
Fundraising Income	-	1,047
Other Income	27,444	65,413
Interest and Dividend Income	6,118	866
Unrealized Gain (Loss) on Investments	3,002	9,982
Net Assets Released from Restrictions	<u>591,669</u>	<u>1,734,647</u>
Total Revenue	<u>628,233</u>	<u>1,819,955</u>
Total Support and Revenue	<u>7,700,655</u>	<u>8,556,417</u>
Expenses:		
Program Services	6,789,203	6,186,054
Supporting Services:		
Management and General	937,307	781,039
Fundraising	<u>106,726</u>	<u>70,466</u>
Total Expenses	<u>7,833,236</u>	<u>7,037,559</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>(132,581)</u>	<u>1,518,858</u>
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>		
Foundation and Corporate Support	1,131,500	1,532,587
Donations	59,109	35,000
Net Assets Released from Restrictions	<u>(591,669)</u>	<u>(1,734,647)</u>
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>598,940</u>	<u>(167,060)</u>
<b>CHANGE IN NET ASSETS</b>	466,359	1,351,798
NET ASSETS AT BEGINNING OF YEAR	2,066,094	714,296
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 2,532,453</u>	<u>\$ 2,066,094</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, 2023**

	Program Services	Management and General	Fundraising	Total
Salaries	\$ 4,476,626	\$ 380,250	\$ 83,832	\$ 4,940,708
Health Benefits	277,435	47,857	3,747	329,039
Pension	22,336	4,750	338	27,424
Life Insurance	-	1,417	-	1,417
Payroll Taxes	382,028	28,915	6,023	416,966
Workers Compensation	52,056	2,129	478	54,663
Contractual	382,461	43,705	-	426,166
Technology	-	8,745	-	8,745
Stipends	317,268	-	-	317,268
Accounting Service	-	42,241	-	42,241
Personnel Service	-	42,243	-	42,243
Travel	2,453	-	-	2,453
Professional Development	12,186	4,793	-	16,979
Telecommunications	3,982	12,142	-	16,124
Communications/Subscriptions	-	29,655	-	29,655
Facilities	10,362	50,480	-	60,842
Rent	35,647	23,897	-	59,544
Property Tax	-	14,428	-	14,428
Security	196	2,382	-	2,578
Reprographics	-	11,576	-	11,576
Field Trip/Transportation	273,683	-	-	273,683
Finance Charges/Fees	656	6,794	-	7,450
Depreciation	-	14,828	-	14,828
Program Activities	405,934	2,823	-	408,757
Meetings & Events	18,569	23,296	1,562	43,427
Supplies and Services	-	41,403	10,085	51,488
Donation	113,160	4,015	-	117,175
Lobbying	-	40,000	-	40,000
Insurance	-	25,576	-	25,576
Utilities	2,165	26,967	-	29,132
Fundraising	-	-	661	661
<b>Total Expenses</b>	<b>\$ 6,789,203</b>	<b>\$ 937,307</b>	<b>\$ 106,726</b>	<b>\$ 7,833,236</b>

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, 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
Technology	-	-	-	-
Stipends	280,859	-	-	280,859
Accounting Service	-	35,393	-	35,393
Personnel Service	-	37,017	-	37,017
Travel	-	-	-	-
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
Meetings and Events	-	-	-	-
Supplies and Services	-	44,644	2,669	47,313
Donation	22,445	1,300	-	23,745
Lobbying	-	-	-	-
Insurance	-	20,839	-	20,839
Utilities	1,335	22,557	-	23,892
Fundraising	-	-	-	-
<b>Total Expenses</b>	<b>\$ 6,186,054</b>	<b>\$ 781,039</b>	<b>\$ 70,466</b>	<b>\$ 7,037,559</b>

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, 2023 and 2022**

	2023	2022
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in Net Assets	\$ 466,359	\$ 1,351,798
<i>Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities:</i>		
Depreciation	14,828	12,333
Forgiveness of PPP Loan	-	(120,830)
Unrealized (Gain) Loss on Investments	(3,002)	(9,982)
<u>(Increase)/Decrease In Assets:</u>		
Contracts and Grants Receivable	(570,397)	(860,842)
Prepaid Expenses	1,605	(1,655)
<u>Increase/(Decrease) In Liabilities:</u>		
Accounts Payable & Accrued Expenses	104,351	6,806
Accrued Vacation	9,207	(5,238)
Deferred Revenue	432,764	(81,071)
Right of Use Asset/Operating Lease Liability	<u>2,236</u>	<u>-</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>457,951</u>	<u>291,319</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	-	(2,495)
Purchase of Investments	<u>(956)</u>	<u>(861)</u>
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<u>(956)</u>	<u>(3,356)</u>
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
<b>NET INCREASE/(DECREASE) IN CASH</b>	456,995	287,963
CASH AT BEGINNING OF YEAR	749,319	461,356
<b>CASH AT END OF YEAR</b>	<u>\$ 1,206,314</u>	<u>\$ 749,319</u>

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



**East Bay Asian Youth Center  
Notes to the Financial Statements  
June 30, 2023 and 2022**

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**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

EBAYC 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, 2023 and 2022**

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**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, 2023 and 2022**

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**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.



**East Bay Asian Youth Center**  
**Notes to the Financial Statements**  
**June 30, 2023 and 2022**

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

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, 2023 and 2022 no advertising costs were charged to expense.

**NOTE 2 - CASH AND CASH EQUIVALENTS:**

At June 30, 2023 and 2022, cash and cash equivalents consisted of:

	2023	2022
California Bank & Trust	\$ 1,847	\$ 2,861
City National Bank	685,055	506,756
First Republic Bank	19,418	19,418
Community Bank of the Bay	94,685	215,564
90 Day Certificate of Deposit	405,123	-
Petty Cash	186	4,720
<b>Total</b>	<b>\$ 1,206,314</b>	<b>\$ 749,319</b>

**East Bay Asian Youth Center  
Notes to the Financial Statements  
June 30, 2023 and 2022**

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**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, 2023 and 2022**

**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, 2023:

Investment Category	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Cash Investments	\$ 5,632	\$ 5,632	-	\$ -
Equities	30,349	30,349	-	-
Mutual Funds	9,697	9,697	-	-
<b>Total</b>	<b>\$ 45,678</b>	<b>\$ 45,678</b>	<b>-</b>	<b>\$ -</b>

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	-	-
<b>Total</b>	<b>\$ 41,720</b>	<b>\$ 41,720</b>	<b>-</b>	<b>\$ -</b>

**NOTE 4 - CONTRACTS AND GRANT RECEIVABLES:**

At June 30, 2023 and 2022, contract and grants receivable consisted of:

	2023	2022
Government Grants	\$ 2,040,350	\$ 1,450,362
Foundation & Corporate Support	42,199	58,072
Other	6,200	9,918
<b>Total</b>	<b>\$ 2,088,749</b>	<b>\$ 1,518,352</b>



**East Bay Asian Youth Center**  
**Notes to the Financial Statements**  
**June 30, 2023 and 2022**

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**NOTE 5 - PROPERTY AND EQUIPMENT:**

Property and equipment as of June 30, 2023 and 2022 are summarized by major classification as follows:

	2023		2022
Building	\$ 248,532	\$	248,532
Land	220,741		220,741
Equipment	74,795		74,795
Leasehold Improvements	<u>128,183</u>		<u>128,183</u>
	672,251		672,251
Accumulated Depreciation	<u>(206,822)</u>		<u>(191,994)</u>
Net Property and Equipment	<u>\$ 465,429</u>	<u>\$</u>	<u>480,257</u>

Depreciation expense for the years ended June 30, 2023 and 2022 was \$14,828 and \$12,333, 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, 2023 and 2022, the outstanding balance was \$0.



**East Bay Asian Youth Center  
Notes to the Financial Statements  
June 30, 2023 and 2022**

**NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS:**

At June 30, 2023 and 2022, net assets with donor restrictions, which are restricted for specified purposes, consisted of the following:

	2023	2022
Charley Kids Foundation	\$ 5,389	\$ 14,699
Asian Health Services	-	5,100
Crescent Porter	-	47,196
RMS/Music Program	6,482	9,067
Hellman Foundation	75,536	74,679
Red String Foundation	-	5,500
Jeremy Lin Foundation	50,000	-
Amalgamated	10,000	-
HUI Foundation	85,000	-
Siriwan	400,000	-
Tom Hui Foundation	75,400	-
Other	67,468	20,094
<b>Total Net Assets with Donor Restrictions</b>	<b>\$ 775,275</b>	<b>176,335</b>

**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.

**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, 2023 and 2022, the Organization received 72% and 64%, respectively, of its support from two sources as follows:

	2023	2022
Oakland Unified School District	\$ 3,544,360	\$ 3,578,639
City of Oakland	1,984,915	1,800,448

**East Bay Asian Youth Center**  
**Notes to the Financial Statements**  
**June 30, 2023 and 2022**

**NOTE 11 - LEASE COMMITMENTS:**

With adoption of ASU No. 2016-02, EBAYC records its operating leases for real property with terms greater than twelve months on the Statement of Financial Position.

EBAYC elected the practical expedient to account for both non-lease and lease payments in its contracts, as a single lease component. For leases that commenced before the effective date of ASU 2016-02, EBAYC elected the permitted practical expedients to not reassess the following: (i) whether any expired or existing contracts contain leases; (ii) the lease classification for any expired or existing leases; and (iii) initial direct costs for any existing leases.

Right-of-use asset represents EBAYC's right to use an underlying asset during the lease term, and lease liability represents EBAYC's obligation to make lease payments arising from the lease. Right-of-use asset and liability are recognized at the commencement date, based on the net present value of the fixed lease payments over the lease term. EBAYC lease terms include options to extend or terminate the lease when it is reasonably certain that the options will be exercised. As most of EBAYC operating leases do not provide an implicit rate, EBAYC uses its incremental borrowing rate based on the information available at the commencement date in determining the present value of the lease payments. The remaining average lease term is 2.3 years and implicit interest rate is 3%.

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

	2024	\$ 47,003
	2025	47,766
	2026	<u>27,748</u>
Total Undiscounted Lease Commitments		122,517
Less: Imputed Interest		4,544
Total Lease Obligations		<u>\$ 117,973</u>

Rental expense incurred on operating leases in effect during the years ended June 30, 2023 and 2022, was \$59,544 and \$57,105, respectively.



**East Bay Asian Youth Center**  
**Notes to the Financial Statements**  
**June 30, 2023 and 2022**

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**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	\$ 1,206,314
Contracts and Grants Receivable	2,088,749
Investments	<u>45,678</u>
Total Financial Assets	3,340,741
Less those financial assets unavailable for general expenditures within one year due to:	
Cash Restricted by Donor for Specific Uses	<u>(775,275)</u>
Financial assets available within one year to meet cash needs for general expenditures	<u>\$ 2,565,466</u>

EBAYC has \$2,565,466 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures including cash of \$1,206,314. 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, 2023, 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, 2023 and 2022, were \$27,424 and \$34,175, respectively.





**East Bay Asian Youth Center  
Notes to the Financial Statements  
June 30, 2023 and 2022**

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**NOTE 14 - SUBSEQUENT EVENTS:**

Management of EBAYC has evaluated its subsequent events through January 18, 2024, 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, 2023**

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	OHYFO2	FY22/23	\$ 118,525	\$ 118,525	\$ 94,172
Center for Healthy Schools & Communities - School Health Centers	OHSBH2	FY22/23	120,805	114,204	95,566
Alameda County Probation Department	STACPD	FY22/23	91,910	68,890	\$ -
			\$ 331,240	\$ 301,619	\$ 189,738

## **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, 2023, 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 January 18, 2024.

### **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.



## 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*

GRANT BENNETT ASSOCIATES  
A PROFESSIONAL CORPORATION  
Certified Public Accountants

Rancho Cordova, California  
January 18, 2024



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