

EAST BAY ASIAN YOUTH CENTER

**AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

**FOR THE YEAR ENDED JUNE 30, 2021
WITH SUMMARIZED COMPARATIVE TOTALS FOR 2020**

**EAST BAY ASIAN YOUTH CENTER
AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021
WITH SUMMARIZED COMPARATIVE TOTALS FOR 2020**

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
EAST BAY ASIAN YOUTH CENTER
Oakland, California

Report on Financial Statements

We have audited the accompanying financial statements of East Bay Asian Youth Center (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to East Bay Asian Youth Center's preparation and fair presentation of the financial statements 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 the East Bay Asian Youth Center's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2022 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 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.

Prior Period Financial Statements

The financial statements of East Bay Asian Youth Center as of June 30, 2020, were audited by Izabal, Bernaciak & Company, who combined with Grant Bennett Associates as of January 1, 2021, and whose report dated December 23, 2020, expressed an unmodified opinion on those statements.

Grant Bennett Associates

GRANT BENNETT ASSOCIATES
A PROFESSIONAL CORPORATION
Certified Public Accountants

Rancho Cordova, California
February 28, 2022



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Together as One. Grant Bennett Associates is a Member of the Alltott Global Alliance of independent professional firms.

EAST BAY ASIAN YOUTH CENTER
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021
AND JUNE 30, 2020

Assets	2021	2020
Current Assets		
Cash and Cash Equivalents	\$ 461,356	\$ 1,213,253
Contracts and Grants Receivable	657,510	474,729
Prepaid Expenses	55,997	53,418
Investments	30,877	27,231
Total Current Assets	<u>1,205,740</u>	<u>1,768,631</u>
Other Assets		
Property and Equipment, net	490,095	503,883
Deposits	2,977	1,715
Total Noncurrent Assets	<u>493,072</u>	<u>505,598</u>
Total Assets	<u>\$ 1,698,812</u>	<u>\$ 2,274,229</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable & Accrued Expenses	\$ 359,731	\$ 402,254
Accrued Vacation	143,085	140,855
Notes Payable - Current Portion	-	101,000
Loan Payable - PPP Loan Short Term	120,830	-
Deferred Revenue	360,870	406,099
Total Current Liabilities	<u>984,516</u>	<u>1,050,208</u>
Long Term Liabilities		
Loan Payable - PPP Loan	-	1,013,600
Total Long Term Liabilities	<u>-</u>	<u>1,013,600</u>
Total Liabilities	<u>984,516</u>	<u>2,063,808</u>
Net Assets		
Without Donor Restrictions	370,901	85,686
With Donor Restrictions	343,395	124,735
Total Net Assets	<u>714,296</u>	<u>210,421</u>
Total Liabilities and Net Assets	<u>\$ 1,698,812</u>	<u>\$ 2,274,229</u>

See notes to the financial statements

**EAST BAY ASIAN YOUTH CENTER
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021
WITH SUMMARIZED COMPARATIVE TOTALS FOR 2020**

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total All Funds	Total All Funds
Support and Revenue				
Support				
Government Contracts	\$ 5,484,988	\$ -	\$ 5,484,988	\$ 5,371,391
Foundation and Corporate Support	-	395,500	395,500	215,000
PPP Loan revenue	892,770	-	892,770	-
Donations	157,737	19,800	177,537	196,125
Total Support	<u>6,535,495</u>	<u>415,300</u>	<u>6,950,795</u>	<u>5,782,516</u>
Revenue				
Fee for Service	140,448	-	140,448	41,384
Annual Gala	-	-	-	70,133
Fundraising Income	16,012	-	16,012	-
Student Fees	2,375	-	2,375	381,671
Other Income	8,110	-	8,110	42,868
Net Assets Released from Restriction	196,640	(196,640)	-	-
Total Revenue	<u>363,585</u>	<u>(196,640)</u>	<u>166,945</u>	<u>536,056</u>
Total Support and Revenue	<u>6,899,080</u>	<u>218,660</u>	<u>7,117,740</u>	<u>6,318,572</u>
Expenses				
Program Services	5,697,321	-	5,697,321	5,582,980
Supporting Services				
Management & General	902,297	-	902,297	884,296
Fundraising	17,896	-	17,896	80,470
Subtotal Supporting Services	<u>920,193</u>	<u>-</u>	<u>920,193</u>	<u>964,766</u>
Total Expenses	<u>6,617,514</u>	<u>-</u>	<u>6,617,514</u>	<u>6,547,746</u>
Changes in Net Assets from Operations	281,566	218,660	500,226	(229,174)
Other Changes				
Interest and Dividend Income	652	-	652	647
Unrealized Gain/(Loss) on Investments	2,997	-	2,997	1,908
Subtotal Other Changes	<u>3,649</u>	<u>-</u>	<u>3,649</u>	<u>2,555</u>
Changes in Net Assets	285,215	218,660	503,875	(226,619)
Net Assets, Beginning of the Year	<u>85,686</u>	<u>124,735</u>	<u>210,421</u>	<u>437,040</u>
Net Assets, End of the Year	<u>\$ 370,901</u>	<u>\$ 343,395</u>	<u>\$ 714,296</u>	<u>\$ 210,421</u>

See notes to the financial statements.

**EAST BAY ASIAN YOUTH CENTER
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021
WITH SUMMARIZED COMPARATIVE TOTALS FOR 2020**

	Supporting Services			2021 Total	2020 Total
	Program Services	Management & General	Fundraising		
EXPENSES					
Salaries	\$ 4,188,057	\$ 415,391	\$ -	\$ 415,391	\$ 4,603,448
Health Benefits	362,325	60,157	-	60,157	422,482
Pension	25,245	8,567	-	8,567	33,812
Life Insurance	-	732	-	732	732
Payroll Taxes	354,344	31,980	-	31,980	386,324
Workers' Compensation	48,083	2,755	-	2,755	50,838
Contractual	212,973	122,564	15,120	137,684	350,657
Performance Management	-	13,034	-	13,034	13,034
Stipends	123,052	(400)	-	(400)	122,652
Accounting Service	-	29,193	-	29,193	29,193
Personnel Service	-	33,268	-	33,268	33,268
Board Development	-	385	-	385	385
Professional Development	300	-	-	-	300
Telecommunications	3,416	11,137	-	11,137	14,553
Communications	-	4,500	-	4,500	4,500
Facilities	-	13,510	-	13,510	13,510
Rent	24,497	23,400	-	23,400	47,897
Property Tax	-	13,561	-	13,561	13,561
Security	-	2,426	-	2,426	2,426
Reprographics	-	10,847	-	10,847	10,847
Field Trip/Transportation	-	-	-	-	-
Finance Charges/Fees	10	5,248	-	5,248	5,258
Depreciation	-	13,788	-	13,788	13,788
Program Activities	248,844	(225)	-	(225)	248,619
Supplies & Services	950	44,512	2,776	47,288	48,238
Donation	103,525	1,500	-	1,500	105,025
Lobbying	-	-	-	-	-
Insurance	-	18,665	-	18,665	18,665
Utilities	1,700	21,802	-	21,802	23,502
Event Direct Cost	-	-	-	-	-
TOTAL EXPENSES	\$ 5,697,321	\$ 902,297	\$ 17,896	\$ 920,193	\$ 6,617,514
					\$ 6,547,746

See notes to the financial statements.

**EAST BAY ASIAN YOUTH CENTER
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021
AND JUNE 30, 2020**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in Net Assets	\$ 503,875	\$ (226,619)
<i>Adjustments to Reconcile Net Assets to Net Cash Provided by Operating Activities:</i>		
Depreciation	13,788	14,793
Forgiveness of PPP Loan	(892,770)	-
Unrealized Loss/(Gain) on Investments	(2,997)	(1,908)
Interest and Dividends from Investments	(652)	(636)
<i>(Increase)/Decrease in:</i>		
Contracts and Grants Receivable	(182,781)	620,567
Prepaid Expenses	(2,579)	(11,475)
Deposits	(1,262)	-
<i>Increase/(Decrease) in:</i>		
Accounts Payable & Accrued Expenses	(42,520)	17,126
Accrued Vacation	2,230	28,057
Deferred Revenue	(45,229)	193,793
Net Cash Provided/(Used) by Operating Activities	(650,897)	633,698
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Fixed Assets	-	(50,200)
Net Cash Provided/(Used) by Investing Activities	-	(50,200)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Line of Credit	-	(200,000)
Payments on Notes Payable	(101,000)	(265,404)
Net Proceeds from PPP Loan	-	1,013,600
Net Cash Provided/(Used) by Financing Activities	(101,000)	548,196
NET INCREASE/(DECREASE) IN CASH	(751,897)	1,131,694
Cash and Cash Equivalents at Beginning of Year	1,213,253	81,559
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 461,356	\$ 1,213,253
Supplemental Disclosure:		
Interest Expense	\$ 3,201	\$ 14,093

See notes to the financial statements

**EAST BAY ASIAN YOUTH CENTER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Note A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

East Bay Asian Youth Center (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.

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.

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.

Comparative Information

The financial statements include certain prior year summarized comparative information in total but not by classification of revenue, expenses, functional expenses, and net assets. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

Income Taxes

EBAYC is exempt from taxation under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d. Management believes the Organization has no uncertain tax positions as of June 30, 2021.

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
FOR THE YEAR ENDED JUNE 30, 2021**

Note A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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 – Undesignated – 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 Without Donor Restrictions – Undesignated at June 30, 2021 were \$370,901.

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. Net Assets With Donor Restrictions at June 30, 2021 were \$343,395.

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.

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.

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
FOR THE YEAR ENDED JUNE 30, 2021**

Note A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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.

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.

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. For the year ended June 30, 2021, EBYAC recorded contributions of \$0 donated materials.

Advertising Expenses

The costs of advertising are expensed as incurred. During the year ended June 30, 2021, advertising costs charged to expense totaled \$0.

Functional Allocated Expenses

The costs of providing the various programs and other activities have been presented 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.

**EAST BAY ASIAN YOUTH CENTER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Note B: PROPERTY AND EQUIPMENT

Depreciation expense for the year ended June 30, 2021, was \$13,788. The original cost and accumulated depreciation for the property and equipment were as follows, as of June 30, 2021:

Building	\$ 248,532
Land	220,741
Equipment	72,300
Leasehold improvements	<u>128,183</u>
Total	669,756
Less: accumulated depreciation	<u>(179,661)</u>
Property and equipment, net	\$ <u>490,095</u>

Note C: CASH AND CASH EQUIVALENTS

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

California Bank & Trust	\$ 2,984
City National Bank	443,714
First Republic Bank	<u>14,658</u>
Total	\$ <u>461,356</u>

Note D: LINE OF CREDIT

The Organization has a \$300,000 line of credit with Community Bank of the Bay, charged annual interest rate of 1% over the index, which resulting an initial rate of 4.25%. Line of credit matures on January 22, 2023. As of June 30, 2021, the outstanding balance was \$0.

Note E: CONTRACTS AND GRANTS RECEIVABLE

At June 30, 2021, contracts and grants receivable consisted of:

Government Grants	\$ 589,488
Foundation & Corporate Support	58,072
Other	<u>9,950</u>
Total	\$ <u>657,510</u>

**EAST BAY ASIAN YOUTH CENTER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

**Note F: 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, the Organization has not experienced any losses in such accounts and believes they are not exposed to any significant credit risk on cash.

Note G: NET ASSETS WITH DONOR RESTRICTIONS

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

Charley Kids Foundation	\$	18,032
San Francisco Foundation		286
CA Endowment		25,000
Quest		12,769
Allstate Foundation		40,000
Asian Pacific Fund		20,000
Hellar Family Foundation		1,000
Blue Shield of CA		20,000
CAF/Nike		25,000
Crescent Porter		40,000
RMS/Music Program		12,023
Hellman Foundation		10,000
SFF		20,000
Jeremy Lin Foundation		40,000
Stupski Foundation		50,000
Other		9,285
Total	\$	<u>343,395</u>

**EAST BAY ASIAN YOUTH CENTER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Note H: NET ASSETS RELEASED FROM RESTRICTIONS

At June 30, 2021, net assets with donor restriction released consisted of the following:

San Francisco Foundation	\$	4,387
Blueprint		25,000
Sierra - Sacramento		10,000
Sierra- MAT Project		42,419
June & Julian Foss Foundation		5,000
Quest Foundation		12,231
Community Initiatives/Asian Pacific Fund/Hellman Foundation		60,329
RMS/Music Program		11,588
Banks Family Foundation		10,000
Other		15,686
Total	\$	<u>196,640</u>

Note I: CONCENTRATION OF REVENUE

The Organization received 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 year ended June 30, 2021, the Organization received 65% of support from two sources as follows:

Oakland Unified School District	\$	2,836,117
City of Oakland	\$	1,821,698

Note J: 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 year ended June 30, 2021 was \$33,812.

**EAST BAY ASIAN YOUTH CENTER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Note K: LOAN PAYABLE

On April 20, 2020, the Organization received a loan from Live Oak Banking Company (the Borrower) 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 Borrower, matures 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 maybe forgiven if they are used for qualifying expenses as described in the CARES Act.

As of June 30, 2021, the Organization spent and earned total of \$892,770 from PPP loan. The remaining loan of \$120,830 is reported as Loan Payable as of June 30, 2021.

Note L: LEASE COMMITMENT

As of June 30, 2021, the Organization incurred \$47,897 in office rental expenses. The Organization is leasing office spaces in Oakland and Sacramento, California. The Organization also leases a copy machine. The Oakland office's lease expires on September 30, 2022. The Sacramento office's lease expired on January 31, 2019. In February 2019, the Sacramento office was renewed as month to month basis. The copy machine lease expires on September 1, 2023.

On October 20, 2017, the Organization purchased an additional 25% of the property located at 2025 East 12th Street, Oakland, CA, increasing ownership to 62.5%.

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

	<u>Office Spaces</u>	<u>Copy Machine</u>	<u>Total</u>
2022	\$ 21,600	\$ 4,500	\$ 26,100
2023	5,400	4,500	9,900
2024	0	750	750
Total	<u>\$ 27,000</u>	<u>\$ 9,750</u>	<u>\$ 36,750</u>

**EAST BAY ASIAN YOUTH CENTER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Note M: INVESTMENTS

The Financial Accounting Standard Board (the FASB) defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles and describes disclosures about fair value measurements.

The FASB has established a three level fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value. A level is assigned to each fair value measurement in its entirety. The three levels of the fair value hierarchy under the FASB are defined below:

Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets that are accessible at the measurement date.

Level 2 – Prices or valuations based on observable inputs other than quoted prices in active markets for identical assets and liabilities.

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).

Investments are quoted on the basis of quoted market prices (all level 1 measurements) and consist of the following at June 30, 2021:

City National Securities	\$ <u>30,877</u>
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Net investment income for the years ended June 30, 2021, total as follows:

Interest and dividends	\$ 652
Unrealized appreciation/(depreciation)	<u>2,997</u>
Net investment income (loss)	\$ <u>3,649</u>

**EAST BAY ASIAN YOUTH CENTER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Note N: LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, without donor or other restrictions limited to their use, within one year of the balance sheet date, comprise the following:

Cash and Cash Equivalents	\$	461,356
Grants Receivable		657,510
Investments		<u>30,877</u>
Total Financial Assets		<u>1,149,743</u>

Less those unavailable for general expenditures within one year due to:

Cash restricted by donor for specific uses		<u>(343,395)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$	<u>\$ 806,348</u>

EBAYC has \$806,348 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures including cash of \$461,356. The accounts 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, 2021 the Organization had not drawn on the line of credit.

Note O: SUBSEQUENT EVENTS

Management of the Organization has evaluated its subsequent events through February 28, 2022, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION



INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION

Board of Directors
EAST BAY ASIAN YOUTH CENTER
Oakland, California

We have audited the financial statements of East Bay Asian Youth Center for the year ended June 30, 2021, and have issued our report thereon dated February 28, 2022, which expressed an unmodified opinion on those financial statements, appears on Page 1. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information 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 related 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 examination of the general purpose financial statements, and, in our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Grant Bennett Associates

GRANT BENNETT ASSOCIATES
A PROFESSIONAL CORPORATION
Certified Public Accountants

Rancho Cordova, California
February 28, 2022



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**EAST BAY ASIAN YOUTH CENTER
SCHEDULE OF ALAMEDA COUNTY AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

<u>County Grantor/Pass Through Grantor/Program</u>	<u>Master Contract</u>	<u>Procurement Contract</u>	<u>Contract Period</u>	<u>Contract Amount</u>	<u>Contract Expenditures</u>	<u>Amount Received</u>
<u>Alameda County Health Care Agency</u>						
Youth & Family Opportunity Initiative	900031	20224	07/1/20-06/30/21	\$ 114,794	\$ 114,794	\$ 82,139
Center for Healthy Schools & Communities- School Health Centers	900031	20382	07/1/20-06/30/21	<u>119,180</u>	<u>119,180</u>	<u>85,119</u>
Total Alameda County Awards				\$ <u>233,974</u>	\$ <u>233,974</u>	\$ <u>167,258</u>



REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
EAST BAY ASIAN YOUTH CENTER
Oakland, California

We have audited the financial statements of East Bay Asian Youth Center as of and for the year ended June 30, 2021, and have issued our report thereon dated February 28, 2022, which contained an unmodified opinion on those financial statements. 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 is presented for purposes of additional analysis as required by the Uniform Guidance 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 their 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.

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**EAST BAY ASIAN YOUTH CENTER
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Grant Number</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Education</u>			
<u>California Department of Education</u>			
<i>Passed Through: Oakland Unified School District</i>			
21st Century Community Learning Center	20-1140	84.287	\$ 134,833
21st Century Community Learning Center	19-1171	84.287	33,982
21st Century Community Learning Center	20-1200	84.287	177,799
21st Century Community Learning Center	19-1181	84.287	13,058
21st Century Community Learning Center	20-1228	84.287	148,800
21st Century Community Learning Center	20-1166	84.287	181,884
21st Century Community Learning Center	20-1190	84.287	161,194
Total U.S. Department of Education California Department of Education			851,550
Total Expenditures of Federal Awards			\$ 851,550

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, 2021. 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 the 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.



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

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 (the Organization), which comprise the statement of financial position as of June 30, 2021, 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 February 28, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 determination of financial statement amounts. 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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February 28, 2022



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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

Board of Directors
EAST BAY ASIAN YOUTH CENTER
Oakland, California

Report on Compliance for Each Major Federal Program

We have audited East Bay Asian Youth Center's compliance with the types of compliance requirements described 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, 2021. 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of East Bay Asian Youth Center's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about East Bay Asian Youth Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of East Bay Asian Youth Center's compliance.

Opinion on Each Major Federal Program

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, 2021.

Report on Internal Control Over Compliance

Management of East Bay Asian Youth Center is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered East Bay Asian Youth Center's internal control over compliance with the types of requirements that could have a direct and material effect on each major program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the East Bay Asian Youth Center's 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 requirements 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. 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be *material weaknesses* or *significant deficiencies*. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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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**EAST BAY ASIAN YOUTH CENTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

A. SUMMARY OF AUDITOR'S RESULTS	
<i>Financial Statements</i>	
1. Type of Financial Statement Report	UNMODIFIED
2. Internal Control over Financial Reporting: Material Weakness(es) Identified Significant Deficiency(ies) Identified	NONE REPORTED NONE REPORTED
3. Noncompliance Disclosed by Audit Which Is Material to Financial Statements	NONE REPORTED
<i>Federal Awards</i>	
1. Internal Control Over Major Programs: Material Weakness(es) Identified Significant Deficiency(ies) Identified	NONE REPORTED NONE REPORTED
2. Type of Compliance Report Major Programs	UNMODIFIED
3. Uniform Guidance Audit Finding Required to be Disclosed by Audit in accordance with 2 CFR 200.516(a)	NONE REPORTED
4. Major Program:	84.287 – 21 st Century Community Learning Centers
5. Dollar Threshold for Type A Programs	\$750,000
6. Auditee Qualification	LOW RISK
B. Findings Relating to the Financial Statements Which Are Required to Be Reported in Accordance with GAGAS	NONE REPORTED
C. Findings and Questioned Costs for Federal Awards Including Audit Findings Defined in the Uniform Guidance	NONE REPORTED

**EAST BAY ASIAN YOUTH CENTER
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

There were no prior year findings.