

**GREATER MIAMI YOUTH FOR CHRIST,
INC.**

**INDEPENDENT AUDITOR'S REPORT ON
AUDIT OF FINANCIAL STATEMENTS**

For the Year Ended June 30, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Greater Miami Youth for Christ, Inc.

Report on the Financial Statements

I have audited the accompanying financial statements of Greater Miami Youth for Christ, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020 and the related statements of activities, 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my 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 I 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 the entity'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 entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Greater Miami Youth for Christ, Inc., as of June 30, 2020 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*, I have also issued my report dated November 8, 2020, on my consideration of Greater Miami Youth for Christ, Inc.'s internal control over financial reporting and on my 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 my 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 Greater Miami Youth for Christ, Inc.'s internal control over financial reporting and compliance.



Princeton, Florida
November 8, 2020

GREATER MIAMI YOUTH FOR CHRIST, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020

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	<u>2020</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 878,528
Short-term investments	406,058
Total current assets	<u>1,284,586</u>
Non current assets:	
Long-term investments	225,132
Property and equipment	436,870
Total non-current assets	<u>662,002</u>
TOTAL ASSETS	<u><u>\$ 1,946,588</u></u>
 LIABILITIES AND NET ASSETS	
Current liabilities:	
Accounts payable and accrued expenses	\$ 7,276
Total current liabilities	<u>\$ 7,276</u>
Long-term debt:	
SBA EIDL Loan	150,000
Total Long-term Debt	<u>150,000</u>
Net assets:	
Without donor restrictions	1,155,833
With temporary donor restrictions	633,479
Total net assets	<u>1,789,312</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,946,588</u></u>

The Accompanying Notes are an Integral Part of These Financial Statement

GREATER MIAMI YOUTH FOR CHRIST, INC.
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020

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	<u>2020</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS	
Revenues, gains and other support:	
Contributions	\$ 750,090
Interest and dividend income	21,082
Foundations & grants	893,635
In-kind donations	5,254
Government grants	230,742
Unrealized loss on investments	14,568
Total revenues and gains without donor restrictions	<u>1,915,371</u>
 Support provided by expiring purpose restrictions	 <u>-</u>
 Total revenues, gains, and other support	 <u>1,915,371</u>
 Expenses:	
City Life KIX	547,774
Catalyst	143,440
Campus Life	411,155
Juvenile Justice	215,165
Multiply Youth Leadership Initiative	28,845
General and administrative	183,789
Fundraising activities	263,329
Total expenses and losses	<u>1,793,497</u>
 INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	 121,874
 CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:	
Revenues:	
Contributions to Catalyst	-
Support provided by expiring purpose restrictions	<u>-</u>
 INCREASE IN NET ASSETS WITH DONOR RESTRICTIONS	 <u>-</u>
 INCREASE IN NET ASSETS	 121,874
 NET ASSETS, BEGINNING OF YEAR	 <u>1,667,438</u>
 NET ASSETS, END OF YEAR	 <u><u>\$ 1,789,312</u></u>

The Accompanying Notes are an Integral Part of These Financial Statement

GREATER MIAMI YOUTH FOR CHRIST, INC.

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STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2020

	Campus Life	Catalyst	City Life Kix	Juvenile Justice	MYLI	Ministry Support	Fund Raising	Total
Property Insurance	\$ 980	\$ 543	\$ 4,290	\$ 593	\$ 67	\$ 3	\$ -	\$ 6,476
Property Maintenance	4,533	1,441	6,440	1,283	342	2,555	-	16,594
Rent	-	4,563	9,510	-	-	-	-	14,073
Utilities	2,515	522	13,215	712	190	1,418	-	18,572
Depreciation	7,863	1,632	2,522	2,225	593	4,431	-	19,266
Donor Development	65	-	19	-	-	-	356	440
Fundraising/Development	2,731	1,516	3,808	1,658	188	-	8,299	18,200
Marketing/Advertising	-	-	-	-	-	-	29	29
Computer Expense/Web	3,123	637	978	948	230	5,752	-	11,668
Office Equip Non-Capitalized	649	-	516	-	-	864	-	2,029
Office Supplies	468	91	553	123	33	1,726	-	2,994
Payroll Processing Fees	828	383	920	432	58	686	274	3,581
Postage	1,788	993	2,493	1,086	823	9,005	-	16,188
Printing/Stationery/Graphic Design	6,524	2,258	4,884	2,689	475	4,442	2,961	24,233
Telephone and Telecommunication	1,857	1,752	4,488	480	126	541	416	9,660
Admin Staff Salaries	-	3,250	7,603	-	-	104,780	104,780	220,413
Director Salary	34,815	38,948	74,879	50,080	13,344	14,407	48,023	274,496
Executive Director Salary	11,724	2,433	3,760	3,318	885	9,480	31,600	63,200
FICA Expense	29,793	9,011	28,924	11,885	980	2,790	3,720	87,103
Housing	26,000	-	-	8,300	-	-	-	34,300
Ministry Staff Salaries	191,192	44,079	234,534	96,033	-	-	-	565,838
Leadership Salaries	-	-	25,854	-	-	-	-	25,854
Summer / Camp FICA	-	-	152	-	-	-	-	152
Summer / Camp Salaries	-	-	3,184	-	-	-	-	3,184
Event Apparel	310	64	2,335	88	23	-	-	2,820
Event Contract Labor	2,646	1,939	1,299	749	200	-	7,489	14,322
Event Equip/Supp/Rentals	5,976	2,488	2,584	2,149	523	-	16,496	30,216
Event Food and Beverage	1,892	370	599	452	518	-	4,515	8,346
Event Give Back Program	-	-	750	-	-	-	2,050	2,800
Event Postage	-	-	-	-	-	-	405	405
Event Printing and Stationery	-	-	-	-	3,237	-	1,691	4,928
Event Salaries	7,950	1,650	2,550	2,250	600	-	22,500	37,500
Event Transportation	-	-	62	-	-	-	-	62
Event Travel and Lodging	393	82	126	111	1,270	-	1,114	3,096
Contract Labor	-	3,460	1,350	1,000	-	-	-	5,810
Field Trips	-	156	10,923	-	-	-	-	11,079

The accompanying notes are an integral part of these financial statements

GREATER MIAMI YOUTH FOR CHRIST, INC.

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STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2020

	Campus Life	Catalyst	City Life Kix	Juvenile Justice	MYLI	Ministry Support	Fund Raising	Total
Licenses and Permits	-	-	358	-	-	-	70	428
Meals/Snacks	8,639	591	6,497	3,752	-	310	-	19,789
Mentoring	1,865	38	1,801	12	-	-	-	3,716
Office Supplies	254	689	4,258	1,066	-	226	-	6,493
Program Services	95	305	2,342	430	-	-	-	3,172
Program Supplies	3,881	4,499	16,949	3,425	-	203	-	28,957
Stipends	-	-	-	-	1,300	-	-	1,300
Bank, EFT and CC Charges	2,582	536	828	731	195	9,743	4,872	19,487
Equipment	-	465	-	-	-	-	-	465
Accounting/Audit	895	186	5,910	253	68	1,689	-	9,001
Background Screenings	917	190	1,524	275	69	-	-	2,975
Charter Fees YFC USA	9,734	3,987	9,195	4,589	697	4,142	-	32,344
Dues and Subscriptions	474	307	1,478	418	112	-	-	2,789
Kitchen Supplies	1,097	221	907	350	80	1,207	805	4,667
Liability Insurance	7,972	3,124	7,094	3,626	573	2,110	-	24,499
Program Development	389	36	56	139	13	-	-	633
Travel and Training	7,472	1,529	2,798	2,887	448	544	544	16,222
Volunteers	176	171	613	171	(24)	-	-	1,107
Worker's Comp	2,696	1,102	2,540	1,268	193	735	320	8,854
Summer/Camp Contract Labor	-	50	180	-	-	-	-	230
Summer/Camp Field Trips	-	75	4,769	-	-	-	-	4,844
Summer/Camp Meals/Snacks	1,069	112	2,532	-	-	-	-	3,713
Summer/Camp Mentoring	27	-	234	-	-	-	-	261
Summer/Camp Office Supplies	-	-	120	-	-	-	-	120
Summer/Camp Program Supplies	499	136	4,479	-	-	-	-	5,114
Summer/Camp Travel	4,536	-	3,257	-	-	-	-	7,793
Summer/Camp Tuition/Fees	7,133	-	2,676	-	-	-	-	9,809
Auto Club	-	-	67	-	-	-	-	67
Auto Fuel	1,137	111	1,729	331	218	-	-	3,526
Auto Insurance	880	426	5,068	-	-	-	-	6,374
Auto Rental	-	-	-	2,681	-	-	-	2,681
Auto Repairs/Maintenance	-	177	1,015	-	-	-	-	1,192
Auto Tag/License/Permits	-	116	193	-	-	-	-	309
Auto Tolls/Parking	121	-	203	117	198	-	-	639
Total Expenditures	\$ 411,155	\$ 143,440	\$ 547,774	\$ 215,165	\$ 28,845	\$ 183,789	\$ 263,329	\$ 1,793,497

The accompanying notes are an integral part of these financial statements

GREATER MIAMI YOUTH FOR CHRIST, INC.
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2020

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	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	<u>\$ 121,874</u>
Adjustments to reconcile change in net assets to cash	
Decrease in short-investments	375,326
Increase in accounts payable	7,276
Depreciation	<u>19,267</u>
Total adjustments	<u>401,869</u>
Net cash provided from operating activities	523,743
 CASH FLOWS FROM INVESTING ACTIVITIES:	
Additional long-term securities	<u>(11,162)</u>
Net cash used by investing activities	<u>(11,162)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES:	
Financing from SBA	<u>150,000</u>
Net cash provided by financing activities	150,000
 Increase in cash equivalents	662,581
 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>215,947</u>
 CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 878,528</u></u>
 SUPPLEMENTAL DISCLOSURES	
Interest paid	<u><u>\$ -</u></u>

The Accompanying Notes are an Integral Part of These Financial Statement

GREATER MIAMI YOUTH FOR CHRIST, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

1. Description of Organization

GREATER MIAMI YOUTH FOR CHIRST, INC. (GMYFC) reaches young people everywhere, working together with the local church and other likeminded partners to raise up lifelong followers of Jesus who lead by their godliness in lifestyle, devotion to the Word of God and prayer, passion for sharing the love of Christ and commitment to social involvement. Miami Youth for Christ reaches into the community with 5 exciting programs designed to bring wholeness and hope to Miami's young people.

MULTIPLY YOUTH LEADERSHIP INITIATIVE (MYLI) strengthens the local church's outreach to young people. **MYLI** is a 2-year training and support program offered by Miami Youth for Christ and The Urban Training Network. **MYLI** is designed to introduce a model of youth ministry that focuses on the effective evangelism, discipleship and empowerment of young people. Participants create step-by-step, practical strategies for reaching un-churched, non-Christian young people with the Gospel, teaching them to become fully devoted followers of Jesus Christ, and empowering them as leaders. **MYLI** serves over 1,000 youths and has trained 40 youth leaders.

CAMPUS LIFE utilizes weekly clubs for high school students that encourage students to develop a balanced life — mentally, physically, spiritually and socially. **Campus Life** combines healthy relationships with creative programs to help young people make good choices, establish a solid foundation for life and positively impact their lives and their schools. It is a place for all students to have fun, interact with positive role models, and talk about relevant issues. Winter and summer camps allow for deep communication, team building and physical challenges. Active students in **Campus Life** are encouraged to take part in our Student Leadership training. Campus Life serves 600 participants

CATALYST was founded in 2001 with the objective of positively impacting youth who are involved in the four elements of the Hip-Hop culture: break-dancing, rapping, graffiti, and DJ'ing. The program seeks to provide a safe space where youth develop their talents and are encouraged to express themselves in a positive way. At **Catalyst**, youth participate in DJ classes and break-dancing classes in an effort to create a place for the true culture of Hip-Hop to grow and prosper. Large scale events and practice nights provide youth from across Miami a positive environment with adult mentors. **Catalyst** seeks to be a "catalyst" for positive life change and prevention/intervention in the lives of more than 1,000 at-risk youth in Miami-Dade County.

CITY LIFE (KIX) has provided for the last 22 years after-school programs in neighborhoods that are characterized by high levels of poverty, high juvenile delinquency and high dropout rates. In these communities there is a dire need for after-school programs that provide a safe environment with individualized attention and mentoring, where at-risk children and youth

have the opportunity to thrive and develop into productive citizens. Currently, **KIX** provides homework assistance, tutoring and leadership training to over 700 children and youth in Miami-Dade County.

JUVENILE JUSTICE MINSITRY serves various residential facilities, where Miami teens are living because they have either been abandoned, abused, arrested or are at-risk in some way. Weekly Bible studies are held at group homes, shelters and detention centers. Teens are counseled and inspired by trained adults in group studies and one-on-one sessions. 2,500 youth participate in these programs.

2. Significant Accounting Policies

GMYFC prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profit entities. The significant accounting and reporting policies used by the organization are described subsequently to enhance the usefulness and understandability of the financial statements.

Basis of Accounting

The organization prepares its financial statements using the accrual basis of accounting and accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the organization's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The organization's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting for the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net Assets With Donor Restrictions

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the organization must continue to use the resources in accordance with the donor's instructions.

The organization's unspent contributions are included in this class if the donor limited their use.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the organization, unless the donor provides more specific directions about the period of its use.

Classification of Transactions

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses other than losses on endowment investments are reported as decreases in net assets without donor restrictions.

Cash and Cash Equivalents

Cash equivalents are short term, interest bearing, highly liquid investments with original maturities of three months or less. The organization maintains cash balances at one financial institutions located in the south Florida area. Deposit accounts at the bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per account. The balances occasionally exceed those limits.

Short Term Investments

The organization invests cash in excess of its immediate needs in money market funds and short term bond fund. Short term investments are reported at fair value.

The investment policy specific to these investments is monitored by the Finance Committee of the organization's Board of Directors. The policy requires that investments be readily marketable and nonvolatile. The money market funds must be managed in accordance with Rule 2a-7 of the Securities and Exchange Commission's Investment Company Act of 1940 and have as an objective maintaining a NAV per share of \$1.00. The short term bond must have maturities of less than one year.

Buildings and Equipment

Buildings and equipment are reported in the statement of financial position at cost, if purchased, and at fair value at the date of donation, if donated. All buildings are capitalized. Equipment is capitalized if it has a cost of \$1,000 or more and a useful life when acquired of more than 1 year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the assets, as follows:

Buildings and improvements	25-39 years
Furnishings and equipment	5-7 years

Land, buildings and equipment are reviewed for impairment when a significant change in the asset's use or another indicator of possible impairment is present. No impairment losses were recognized in the financial statements in the current period.

Long-term Investments

Long-term investments consist of mutual funds with investments that are expected maturities of more than one year or with investment objectives greater than one year. Investments also include purchases of unspent investment income and net gains on these resources.

Long-term investments are recorded at market value with changes to fair value reported as investment return in the statement of activities. Purchase and sales of investments are reported on the trade date.

Accounting for Contributions

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until the payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Grant Revenue

Grant revenues are recognized when the right to collect the grants have been awarded or when the qualifying costs are incurred for cost-reimbursement grants or contracts or when a unit of service is provided for performance grants.

Expense Recognition and Allocation

The cost of providing the organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied, as follows:

- Salaries and wages, benefits, payroll taxes and ministry expenses are allocated based on activity reports by key personnel.
- Occupancy, depreciation, and amortization are allocated on a square foot basis dependent on the programs and supporting activities occupying the space.
- Telephone, insurance, supplies and other miscellaneous expenses that cannot be directly identified are allocated on the basis of estimated use for administrative purpose by employee headcount for each program and supporting activity.

Every three years, or more often when new space or programs are added, the bases on which costs are allocated are evaluated.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The organization generally does not conduct its fundraising activities in conjunction with its other activities. In the few cases in which it does, such as when the annual report or donor acknowledgements contain requests for contributions, joint costs have been allocated between fundraising and general and administrative expenses in accordance with standards for accounting for costs of activities that include fundraising. Additionally, advertising costs are expensed as incurred.

Tax Status

The organization is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). Contributions to the organization are tax deductible to donors under Section 170 of the IRC. The organization is not classified as a private foundation.

3. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2020 are:

Financial assets:	
Cash and cash equivalents	\$878,528
Short-term investments	406,058
Total financial assets	1,284,586
Less financial assets held to meet donor-imposed restrictions:	
Purpose-restricted net assets (note 9)	(633,479)
Amount available for general expenditures within one year	\$ 651,107

The above table reflects donor-restricted funds as unavailable because it is the organization's intention to invest those resources for the long-term support of the organization.

4. Property and Equipment

Property and equipment at June 30, 2020 are as follows:

Land, buildings & improvements	\$ 500,841
Transportation equipment	38,308
Equipment & furniture	149,275
	688,424
Less accumulated depreciation	251,554
Net property and equipment	<u>\$ 436,870</u>

5. Long-Term Debt

Long-term debt consists of a note payable to the Small Business Administration of the United States for an Emergency Income Disaster Loan in the amount of \$150,000. The loan is payable in the amount of \$641 per month including principle and interest at 2.75%, beginning June 30, 2021 and is due June 30, 2050. The loan is secured by the assets of the organization including but not limited to bank accounts, investments and equipment of the Organization.

6. Retirement Plan

Employees are eligible for a salary reduction plan in accordance with Section 403(b) of the Internal Revenue Code. The Plan allows eligible employees to contribute up to 20% of their gross wages. The Organization does not make any contributions to the plan.

7. Income Taxes

GMYFC is organized as Florida not for profit corporations and have been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as organizations described in IRC Section 501(c)(3), qualify for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and (viii), and have been determined not to be private foundations under IRC Sections 509(a)(1) and (3), respectively. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the entity is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. Management has determined that the entity has not incurred any unrelated business income and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Based on its evaluation, the Organization has concluded that there are no significant uncertain tax positions requiring recognition in its financial statements. The evaluation was performed for the tax years ended June 30, 2017, 2018, 2019 and 2020, the tax years which remain subject to examination by major jurisdictions as of June 30, 2020.

8. Net Assets With Donor Restrictions

On June 30, 2020, net assets with donor restrictions are available for the following purposes or periods: Catalyst Building in the amount of \$633,479.

9. Commitments

The Organization has three facilities use agreements that are paid on a month to month basis. The agreement is a contribution to Jordan Commons Owners Association at cost for \$10 per school day for elementary program and \$20 per day for the teen program usage. This agreement is expected to continue for the next year. The second agreement is with Crossbridge Church for \$500 per month on a month to month basis and is expected to continue for the next year. The third agreement is with Christ Community Church for \$800 per year.

In addition, **GMYFC** has four memorandums of understandings/agreements for providing mentoring, character development, vocation and life skills to at risk youth through various programs.

10. Concentrations of Risk

A significant portion, approximately 36 percent, of the organization's annual funding comes from three sources.

The majority of the organization's contributions and grants are received from corporations, foundations, and individuals located in the greater Miami metropolitan area and from agencies of Miami-Dade County. As such, the organization's ability to generate resources via contributions and grants is dependent upon the economic health of the South Florida area.

The organization's investments are subject to various risks, such as interest rate, credit, and overall market volatility risks. Further, because of the significance of the investments to the organization's financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of these investments could occur in the near term and such changes could materially affect the amounts reported in the financial statements. Management is of the opinion that the diversification of its invested assets among the various asset classes (see notes 12) should mitigate the impact of changes in any one class.

11. Fair Value Measurements

GMYFC reports fair value measures of its assets and liabilities using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The asset or liability's measurement within the fair value hierarchy is based on the lowest level of input that is significant to the measurement. The three levels of inputs used to measure fair value are as follows:

- *Level 1.* Quoted prices for identical assets or liabilities in active markets to which the organization has access at the measurement date.
- *Level 2.* Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:
 - quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets in markets that are not active;
 - observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
 - inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

- *Level 3.* Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value if observable inputs are not available.

When available, the organization measures fair value using level 1 inputs because they generally provide the most reliable evidence of fair value. However, level 1 inputs are not available for many of the assets and liabilities that the organization is required to measure at fair value.

The primary uses of fair value measures in the organization's financial statements is recurring measurement of the Vanguard Investments in mutual funds.

12. Investments

Investments consist of the following on June 30, 2020:

	<i>Fair Value</i>
Short-term investments:	
Money market funds	\$364,810
Mutual funds – high and medium quality investment grade bonds	406,058
Total short-term investments	\$770,868
Long-term investments:	
Mutual funds—international global stocks	44,768
Mutual funds—investment grade bonds	78,034
Mutual funds—U.S. stock market index fund	102,331
Total long-term investments	225,133
Total investments	\$996,001

As discussed in note 11 to these financial statements, the organization is required to report its fair value measurements in one of three levels, which are based on the ability to observe in the marketplace the inputs to the organization's valuation techniques. Level 1, the most observable level of inputs, is for investments measured at quoted prices in active markets for identical investments as of June 30, 2020, including investments measured at Net Assets Value (NAV) if the NAV is determined as the fair value per share (unit) is published, and is the basis for current transactions. Level 2 is for investments measured using inputs such as quoted prices for similar assets or quoted prices for the identical asset in inactive markets. Level 3 is for investments measured using inputs that are unobservable, and is used in situations for which there is little, if any, market activity for the investment.

GMFVC uses the following ways to determine the fair value of its investments:

Money market funds: Determined by the published NAV per unit at the end of the last trading day of the year, which is the basis for transactions at that date.

Open-end mutual funds: Determined by the published NAV per unit at the end of the last trading day of the fiscal year, which is the basis for transactions at that date.

The following table presents the assets and liabilities recognized in the accompanying statements of financial position that are measured at fair value on a recurring basis and the level within the fair value hierarchy in which those fair value measurements fall at June 30, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Vanguard Federal Money Market	\$ 364,810	\$ -	\$ -
Vanguard All World ex-US Index Fund	44,768	-	-
Vanguard Inter-Term Investment Grade Bonds	78,034	-	-
Vanguard Short-Term Investment Grade Bonds	406,058	-	-
Vanguard Total Stock Market Index Fund	102,331	-	-
	<u>\$ 996,001</u>	<u>\$ -</u>	<u>\$ -</u>

There were no significant transfers between the levels during the year. There were no transfers between levels. The organization's policy is to recognize transfers in and out of the levels at the end of the fiscal year; interim changes in the availability of fair value inputs are not recognized. At June 30, 2020, the organization does not have any investments measured using level 2 or 3 inputs.

13. Subsequent Events

Subsequent events have been evaluated through November 8, 2020, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

STEVEN S. SAPP

Certified Public Accountant

Member
American Institute of Certified Public Accountants
Florida Institute of Certified Public Accountants

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
Greater Miami Youth for Christ, Inc.

I 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 Greater Miami Youth for Christ, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated November 8, 2020.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered Greater Miami Youth for Christ, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Greater Miami Youth for Christ, Inc.'s internal control. Accordingly, I 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 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.

My 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 my audit I did not identify any deficiencies in internal control that I 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 Greater Miami Youth for Christ, Inc.'s financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my 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 my 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.

A handwritten signature in blue ink that reads "Steven S. Sapp". The signature is written in a cursive style with a large, stylized 'S' at the beginning.

Princeton, Florida
November 8, 2020