YOUTH WITH A MISSION, SAN FRANCISCO

Financial Statements
With Independent Accountants' Compilation Report

December 31, 2019 and 2018

CAPINCROUSE LLP

YOUTH WITH A MISSION, SAN FRANCISCO

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CAPINCROUSE LLP

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Youth With a Mission, San Francisco
San Francisco, California

Management is responsible for the accompanying financial statements of Youth With a Mission, San Francisco (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The supplemental information contained in the schedule of functional expenses is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The supplemental information has been compiled from information that is the representation of management. We have not audited or reviewed the supplemental information and, accordingly, do not express an opinion or provide any assurance on such supplemental information.

Capin Crouse LLP

Pleasanton, California
April 28, 2020

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YOUTH WITH A MISSION, SAN FRANCISCO

Statements of Financial Position

	December 31,			
	2019		2018	
ASSETS:				
Current assets:				
Cash and cash equivalents	$	1,000,824	$	971,395
Investments		17,056		-
Accounts receivable–net		19,241		19,762
Prepaid expenses		1,656		5,637
		1,038,777		996,794
Fixed assets–net		4,014,491		4,008,092
Total Assets	$	5,053,268	$	5,004,886
LIABILITIES AND NET ASSETS:				
Current liabilities:				
Accounts payable and accrued expenses	$	57,639	$	71,168
Current portion of debt–net		35,372		54,576
		93,011		125,744
Long-term portion of debt–net		1,351,841		1,498,610
		1,444,852		1,624,354
Net Assets:				
Net assets without donor restrictions:		3,204,277		2,947,258
Net assets with donor restrictions		404,139		433,274
		3,608,416		3,380,532
Total Liabilities and Net Assets	$	5,053,268	$	5,004,886

See accompanying notes and independent accountants' compilation report

YOUTH WITH A MISSION, SAN FRANCISCO

Statements of Activities

	Year Ended December 31,					
	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions	$ 110,524	$ 1,288,696	$ 1,399,220	$ 115,755	$ 1,255,225	$ 1,370,980
Student and staff fees	425,540	-	425,540	417,604	-	417,604
Other revenue	2,456	-	2,456	112	-	112
Loss on disposal of fixed assets	-	-	-	(28,578)	-	(28,578)
Total Support and Revenue	538,520	1,288,696	1,827,216	504,893	1,255,225	1,760,118
NET ASSETS RELEASED:						
Purpose restrictions	1,317,831	(1,317,831)	-	1,143,718	(1,143,718)	-
EXPENSES:						
Program services	1,104,825	-	1,104,825	1,072,404	-	1,072,404
Supporting activities:						
Management and general	416,464	-	416,464	342,670	-	342,670
Fundraising	78,043	-	78,043	66,945	-	66,945
Total Expenses	1,599,332	-	1,599,332	1,482,019	-	1,482,019
Change in Net Assets	257,019	(29,135)	227,884	166,592	111,507	278,099
Net Assets, Beginning of Year	2,947,258	433,274	3,380,532	2,780,666	321,767	3,102,433
Net Assets, End of Year	$ 3,204,277	$ 404,139	$ 3,608,416	$ 2,947,258	$ 433,274	$ 3,380,532

See accompanying notes and independent accountants' compilation report

YOUTH WITH A MISSION, SAN FRANCISCO

Statement of Functional Expenses

Year Ended December 31, 2019

	Program Services:			Supporting Activities:		
	San Francisco	Other Locations	Total	General and Administrative	Fundraising	Total
Staff support and payroll	$ 464,972	$ 147,180	$ 612,152	$ 228,738	$ 60,450	$ 901,340
Depreciation and amortization	-	9,108	9,108	87,798	-	96,906
Rent	54,789	24,218	79,007	-	-	79,007
Interest expense	-	-	-	68,606	-	68,606
Utilities	50	400	450	51,633	-	52,083
Food	34,502	1,986	36,488	12,225	-	48,713
Advertising	38,482	497	38,979	8,979	-	47,958
Conferences and training	34,443	769	35,212	9,251	-	44,463
Supplies and materials	33,011	347	33,358	5,178	-	38,536
Fundraising	13,590	-	13,590	-	17,593	31,183
Contributions to others	7,620	800	8,420	21,051	-	29,471
Travel	20,478	2,144	22,622	3,921	-	26,543
Repairs and maintenance	-	507	507	25,941	-	26,448
Insurance	-	-	-	26,321	-	26,321
Legal and accounting	1,094	-	1,094	17,185	-	18,279
Other	4,818	819	5,637	11,043	-	16,680
Merchant and bank fees	1,853	238	2,091	13,040	-	15,131
Special events	5,953	50	6,003	8,642	-	14,645
Telephone	-	808	808	8,570	-	9,378
Property taxes	-	-	-	7,641	-	7,641
Administration fee	9,414	1,533	10,947	(10,947)	-	-
Facilities cross-charge	188,352	-	188,352	(188,352)	-	-
Total Expenses	$ 913,421	$ 191,404	$ 1,104,825	$ 416,464	$ 78,043	$ 1,599,332

See accompanying notes and independent accountants' compilation report

YOUTH WITH A MISSION, SAN FRANCISCO

Statement of Functional Expenses

Year Ended December 31, 2018

	Program Services:			Supporting Activities:		
	San Francisco	Other Locations	Total	General and Administrative	Fundraising	Total
Staff support and payroll	$ 378,910	$ 184,241	$ 563,151	$ 168,180	$ 46,823	$ 778,154
Depreciation and amortization	2,520	8,004	10,524	82,346	-	92,870
Rent	43,926	22,399	66,325	-	-	66,325
Interest expense	-	-	-	74,110	-	74,110
Utilities	915	-	915	48,286	-	49,201
Food	41,412	3,599	45,011	9,109	-	54,120
Advertising	85,822	225	86,047	19,613	-	105,660
Conferences and training	16,007	2,654	18,661	6,035	-	24,696
Supplies and materials	20,247	168	20,415	3,750	-	24,165
Fundraising	15,128	-	15,128	-	20,122	35,250
Contributions to others	7,944	-	7,944	13,361	-	21,305
Travel	19,709	917	20,626	4,254	-	24,880
Repairs and maintenance	20	335	355	16,761	-	17,116
Insurance	-	-	-	23,495	-	23,495
Legal and accounting	4,152	250	4,402	11,563	-	15,965
Other	9,398	8,775	18,173	(456)	-	17,717
Merchant and bank fees	2,664	601	3,265	13,414	-	16,679
Special events	3,624	2,222	5,846	16,629	-	22,475
Telephone	501	524	1,025	7,831	-	8,856
Property taxes	-	2,412	2,412	6,568	-	8,980
Facilities cross-charge	182,179	-	182,179	(182,179)	-	-
Total Expenses	$ 835,078	$ 237,326	$ 1,072,404	$ 342,670	$ 66,945	$ 1,482,019

See accompanying notes and independent accountants' compilation report

YOUTH WITH A MISSION, SAN FRANCISCO

Statements of Cash Flows

	Year Ended December 31, 2019	Year Ended December 31, 2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 227,884	$ 278,099
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	96,906	95,930
Contributions received for long-term purposes	(49,236)	-
Loss on disposal of fixed assets	-	28,578
Net change in:		
Accounts receivable - net	521	38,564
Prepaid expenses	3,981	(3,855)
Accounts payable and accrued expenses	(13,529)	(7,554)
Net Cash Provided by Operating Activities	266,527	429,762
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of fixed assets	(99,108)	(2,414)
Proceeds from sale of investments	71,695	-
Reinvested dividends	(2,432)	-
Donated investments	(86,319)	-
Net Cash Used in Investing Activities	(116,164)	(2,414)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on debt	(170,170)	(316,481)
Contributions received for long-term purposes	49,236	-
Net Cash Used in Financing Activities	(120,934)	(316,481)
Net Change in Cash and Cash Equivalents	29,429	110,867
Cash and Cash Equivalents, Beginning of Year	971,395	860,528
Cash and Cash Equivalents, End of Year	$ 1,000,824	$ 971,395
SUPPLEMENTAL DISCLOSURE:		
Cash paid for interest	$ 68,606	$ 71,050

See accompanying notes and independent accountants' compilation report

YOUTH WITH A MISSION, SAN FRANCISCO

Notes to Financial Statements

December 31, 2019 and 2018

1. NATURE OF ORGANIZATION:

Youth with a Mission, San Francisco (YWAM-SF) was incorporated in the state of California as a not-for-profit corporation. YWAM-SF is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code), and comparable state law(s). However, YWAM-SF is subject to federal income tax on any unrelated business taxable income. In addition, YWAM-SF is not classified as a private foundation within the meaning of section 509(a) of the Code. Contributions to YWAM-SF by the public are deductible for income tax purposes and are the primary source of support and revenue.

YWAM-SF works amongst a diversity of peoples in the San Francisco Bay area through training, evangelism, and community development and operates a Discipleship Training School (DTS) which combines Bible study courses with a missionary outreach off campus. YWAM-SF is staffed by volunteers (missionaries). Volunteer staff are responsible for raising their own support and are considered independent contractors, not employees. YWAM-SF acts as a qualified missions agency and collects and disburses donations to the missionaries.

There are many Youth with a Mission nonprofit corporations around the world with which the YWAM-SF is associated. Each corporation is autonomous in control and structure. These financial statements include only the operations controlled by YWAM-SF.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of YWAM-SF have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. A summary of significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

USE OF ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

CASH AND CASH EQUIVALENTS

For statements of financial position and cash flow purposes, cash and cash equivalents include cash on hand as well as amounts held in checking and savings accounts. Cash accounts at banks are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At December 31, 2019 and 2018, YWAM-SF's cash balances exceeded insured limits by approximately $327,000 and $601,000, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

INVESTMENTS
Investments consist of stocks held in the technology and consumer cyclical sectors, which are considered Level 1 of the fair value hierarchy. Interest, dividends, and unrealized gains and losses in fair value are recognized in the year in which they occur and are reported in other revenue on the statements of activities. Donated investments are reported at fair value on the date of donation and thereafter carried in accordance with the provisions above.

ACCOUNTS RECEIVABLE
Accounts receivable represent student and staff fees owed to YWAM-SF. Management has recorded an allowance for doubtful accounts of approximately $29,000 and $25,000, as of December 31, 2019 and 2018, respectively. Management considers this amount to estimate the probability of collection and to be reasonable based upon YWAM-SF's recent historic rates of collection of accounts receivable.

FIXED ASSETS
Fixed assets consist of land, buildings, furniture, and equipment and are recorded at cost when purchased, or at estimated fair value if received by donation. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis with useful lives ranging from five to forty years. Maintenance and repairs that neither materially add to the value of the property nor appreciably prolong its life are charged to expense as incurred. YWAM-SF has elected to capitalize land, buildings, furniture, and equipment with a cost of $2,000 or more.

NET ASSETS
The financial statements report amounts by class of net assets:

Net assets without donor restrictions are those currently available at the discretion of the board for use in YWAM-SF's operations and those resources invested in fixed assets–net.

Net assets with donor restrictions are those stipulated by donors for specific ministry purposes.

SUPPORT, REVENUE, AND EXPENSES
Contributions are recorded when cash or unconditional promises-to-give have been received or ownership of donated assets is transferred to YWAM-SF. YWAM-SF records contributions as net assets with donor restrictions if they are received with donor stipulations that limit their use either through purpose or time restrictions, or both. When donor restrictions expire, that is when the purpose restriction is fulfilled or the time restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. All contributions are considered available for use without donor restrictions unless specifically restricted by the donor or subject to legal restrictions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT, REVENUE, AND EXPENSES, continued
YWAM-SF receives non-cash gifts which are recorded as support at the estimated fair market value on the date of the gift.

Student and staff fees are recorded when earned. Expenses are recorded when incurred in accordance with the accrual basis of accounting.

ADVERTISING EXPENSE
Advertising expense is used to promote YWAM-SF. All advertising expenses are reported when incurred and totaled approximately $48,000 and $106,000 for the years ended December 31, 2019 and 2018, respectively.

FUNCTIONAL ALLOCATION OF EXPENSES
The costs of providing various program services and supporting activities have been summarized on a functional basis in the statements of activities and functional expenses. Management allocates costs among program services and supporting activities benefited using percentages that are based on the number and size of the programs as determined by the estimated percentage of staff, students, and space involved in each function. Major programs of YWAM-SF include DTS, Because Justice Matters (BJM), and outreach to the community.

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include such items as depreciation, interest, and rent, which are allocated on a square-footage basis, as well as items such as staff support and payroll, which are allocated on the basis of estimated time and effort spent on either program or supporting functions.

RECENTLY ADOPTED ACCOUNTING STANDARD
In 2018, the Financial Accounting Standards Board issued Accounting Standards Update 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made.* YWAM-SF adopted the provisions of this new standard in the current year. This new standard provides guidance on determining whether transactions should be accounted for as an exchange transaction or a contribution and whether a contribution should be recorded as conditional or unconditional. The standard did not have a material impact on the presentation of the December 31, 2019 financial statements.

3. LIQUIDITY AND FUNDS AVAILABLE:

The following table reflects YWAM-SF's financial assets reduced by amounts not available for general expenditure because of contractual or donor-imposed restrictions within one year of the statements of financial position date.

	December 31, 2019	December 31, 2018
Cash and cash equivalents	$ 1,000,824	$ 971,395
Less those unavailable for general expenditures within one year, due to donor restrictions not expected to be met within one year	(49,236)	(34,648)
Financial assets available to meet cash needs for general expenditures within one year	$ 951,588	$ 936,747

YWAM-SF is substantially supported by contributions with donor restrictions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, YWAM-SF must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of its liquidity management, YWAM-SF has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

4. FIXED ASSETS–NET:

Fixed assets–net consist of:

	December 31, 2019	December 31, 2018
Land	$ 2,306,687	$ 2,306,687
Buildings and improvements	2,095,966	1,996,858
Leasehold improvements	316,751	316,751
Furniture, fixtures, and equipment	80,031	80,031
Vehicles	10,239	10,239
	4,809,674	4,710,566
Less accumulated depreciation	(795,183)	(702,474)
	$ 4,014,491	$ 4,008,092

5. DEBT:

Debt consists of:

	December 31, 2019	December 31, 2018
Secured loan with a financial institution with interest at a fixed rate of 3.95% for three years and monthly payments of $9,843. After the initial 3-year period, the rate will become variable at the Prime Rate as published in the Wall Street Journal plus 1.5%, with monthly payments of $11,044. In September 2019, the loan was refinanced with a financial institution in the amount of $1,468,373. The loan has an interest rate of 4.275%, with monthly payments of $7,997, and a balloon payment of principal and interest due November 2025.	$ 1,410,252	$ 1,571,253
Less prepaid loan fees–net	(23,039)	(18,067)
Less current portion of long-term debt	(35,372)	(54,576)
	$ 1,351,841	$ 1,498,610

Future maturities are as follows:

Year Ending December 31,	
2020	$ 35,372
2021	37,108
2022	38,749
2023	40,462
2024	42,097
Thereafter	1,216,464
	$ 1,410,252

YOUTH WITH A MISSION, SAN FRANCISCO

Notes to Financial Statements

December 31, 2019 and 2018

6. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions are available for the following purposes:

	December 31, 2019	December 31, 2018
BJM	$ 315,328	$ 341,702
Ember Ink building fund	49,236	-
Staff support	22,234	40,711
North Beach	12,817	12,428
Community development	2,843	3,607
OMED	1,681	178
Restoration initiatives	-	34,648
	$ 404,139	$ 433,274

7. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through April 28, 2020, which is the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

YOUTH WITH A MISSION, SAN FRANCISCO

Supplemental Schedule of Functional Expenses - San Francisco

Year Ended December 31, 2019

	Outreach Department	Discipleship Training Schools	Because Justice Matters	Restoration Initiatives	Total San Francisco
Staff support and payroll	$ 45,106	$ 35,746	$ 289,992	$ 94,128	$ 464,972
Facilities cross-charge	100,203	44,587	1,223	42,339	188,352
Rent	-	-	54,789	-	54,789
Advertising	4,390	4,422	25,570	4,100	38,482
Food	13,623	8,137	9,087	3,655	34,502
Conferences and training	1,373	1,186	29,172	2,712	34,443
Supplies and materials	9,702	1,419	19,863	2,027	33,011
Travel	1,203	17,422	1,691	162	20,478
Fundraising	-	-	13,590	-	13,590
Administrative fees	2,019	1,390	5,044	961	9,414
Contributions to others	-	2,995	4,625	-	7,620
Special events	-	426	4,750	777	5,953
Other	1,729	1,787	1,134	168	4,818
Merchant and bank fees	51	81	1,721	-	1,853
Legal and accounting	-	-	1,094	-	1,094
Utilities	-	-	50	-	50
Total Expenses	$ 179,399	$ 119,598	$ 463,395	$ 151,029	$ 913,421

See independent accountants' compilation report

YOUTH WITH A MISSION, SAN FRANCISCO

Supplemental Schedule of Functional Expenses - San Francisco

Year Ended December 31, 2018

	Outreach Department	Discipleship Training Schools	Because Justice Matters	Restoration Initiatives	Total San Francisco
Staff support and payroll	$ 19,781	$ 52,578	$ 220,800	$ 85,751	$ 378,910
Facilities cross-charge	96,209	41,380	5,091	39,499	182,179
Rent	-	-	43,926	-	43,926
Advertising	-	527	85,295	-	85,822
Food	10,906	23,740	3,803	2,963	41,412
Conferences and training	225	753	14,936	93	16,007
Supplies and materials	2,700	2,714	14,272	561	20,247
Travel	329	18,992	388	-	19,709
Fundraising	-	-	15,128	-	15,128
Contributions to others	-	7,944	-	-	7,944
Special events	-	238	3,337	49	3,624
Other	1,863	4,106	1,806	1,623	9,398
Merchant and bank fees	-	41	2,623	-	2,664
Legal and accounting	-	-	4,152	-	4,152
Utilities	-	-	915	-	915
Depreciation and amortization	-	-	2,520	-	2,520
Telephone	-	-	501	-	501
Repairs and maintenance	-	-	20	-	20
Total Expenses	$ 132,013	$ 153,013	$ 419,513	$ 130,539	$ 835,078

See independent accountants' compilation report

YOUTH WITH A MISSION, SAN FRANCISCO

Supplemental Schedule of Functional Expenses - Other Locations

Year Ended December 31, 2019

	Alpha/ North Beach	Better Bayview	San Ramon Full House	San Jose Ember Ink	Silicon Valley SWM	Fremont OMED	San Antonio	Total Other Locations
Staff support and payroll	$ 71,084	$ -	$ 582	$ 72,722	$ 291	$ 340	$ 2,161	$ 147,180
Rent	-	-	-	24,218	-	-	-	24,218
Depreciation and amortization	-	9,108	-	-	-	-	-	9,108
Travel	94	-	2,050	-	-	-	-	2,144
Food	945	-	1,021	20	-	-	-	1,986
Administrative fee	64	322	99	1,032	-	16	-	1,533
Contributions to others	-	-	800	-	-	-	-	800
Other	115	269	404	-	-	31	-	819
Telephone	768	-	-	40	-	-	-	808
Conferences and training	769	-	-	-	-	-	-	769
Repairs and maintenance	-	507	-	-	-	-	-	507
Advertising	84	-	300	113	-	-	-	497
Utilities	-	-	-	400	-	-	-	400
Supplies and materials	41	-	151	155	-	-	-	347
Merchant and bank fees	-	-	10	228	-	-	-	238
Special events	50	-	-	-	-	-	-	50
Total Expenses	$ 74,014	$ 10,206	$ 5,417	$ 98,928	$ 291	$ 387	$ 2,161	$ 191,404

See independent accountants' compilation report

YOUTH WITH A MISSION, SAN FRANCISCO

Supplemental Schedule of Functional Expenses - Other Locations

Year Ended December 31, 2018

	Alpha/ North Beach	Better Bayview	San Ramon Full House	San Jose Ember Ink	Silicon Valley SWM	Fremont OMED	San Antonio	Total Other Locations
Staff support and payroll	$ 71,211	$ -	$ -	$ 79,100	$ 14,634	$ 498	$ 18,798	$ 184,241
Rent	-	-	-	22,399	-	-	-	22,399
Depreciation and amortization	-	8,004	-	-	-	-	-	8,004
Travel	124	-	793	-	-	-	-	917
Food	819	-	2,713	-	67	-	-	3,599
Contributions to others	-	-	-	-	-	-	-	-
Other	1,593	1,368	1,973	1,368	1,105	1,368	-	8,775
Telephone	524	-	-	-	-	-	-	524
Conferences and training	1,073	-	500	-	1,081	-	-	2,654
Repairs and maintenance		335	-	-	-	-		335
Advertising	-	-	225	-	-	-	-	225
Supplies and materials	89	-	-	-	79	-	-	168
Merchant and bank fees	-	-	220	381	-	-	-	601
Special events	124	-	2,098	-	-	-	-	2,222
Property taxes	-	2,412	-	-	-	-	-	2,412
Legal and accounting	-	-	230	20	-	-	-	250
Total Expenses	$ 75,557	$ 12,119	$ 8,752	$ 103,268	$ 16,966	$ 1,866	$ 18,798	$ 237,326

See independent accountants' compilation report