

---

---

# **YES NATURE TO NEIGHBORHOODS**

## **FINANCIAL STATEMENTS**

**August 31, 2017**

**(WITH COMPARATIVE TOTALS AS OF AUGUST 31, 2016)**

---

---

**CROSBY & KANEDA**  
Certified Public Accountants

---

---

Dedicated to Nonprofit Organizations

# YES NATURE TO NEIGHBORHOODS

## Contents

Independent Auditors' Report	1-2
Financial Statements:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Statement of Functional Expenses	6
Notes to the Financial Statements	7-12

## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
YES Nature to Neighborhoods  
Richmond, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of YES Nature to Neighborhoods, which comprise the statement of financial position as of August 31, 2017, and the related statements of activities, cash flows and functional expenses 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.

### **Auditors' 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. 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 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, 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 YES Nature to Neighborhoods as of August 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Summarized Comparative Information**

We have previously audited the YES Nature to Neighborhoods' August 31, 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 28, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Croody & Lameda CPAs LLP*

Oakland, California

January 19, 2018

**YES NATURE TO NEIGHBORHOODS**

**Statement of Financial Position**

**August 31, 2017**

**(With Comparative Totals as of August 31, 2016)**

	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
Current Assets		
Cash	\$ 478,251	\$ 325,408
Investments (Note 3)	174,639	69,136
Grants and pledges receivable	65,739	366,220
Accrued interest	-	226
Prepaid expenses	11,546	8,422
Total Current Assets	<u>730,175</u>	<u>769,412</u>
Deposits	<u>4,050</u>	<u>4,050</u>
Total Assets	<u>\$ 734,225</u>	<u>\$ 773,462</u>
<b>Liabilities and Net Assets</b>		
Current Liabilities		
Accounts payable and accrued expenses	\$ 66,820	\$ 62,944
Accrued vacation	8,821	8,818
Conditional sponsorships	56,315	10,000
Total Liabilities	<u>131,956</u>	<u>81,762</u>
Contingencies (Note 5)		
Net Assets		
Unrestricted	412,806	240,325
Temporarily restricted (Note 6)	189,463	451,375
Total Net Assets	<u>602,269</u>	<u>691,700</u>
Total Liabilities and Net Assets	<u>\$ 734,225</u>	<u>\$ 773,462</u>

See Notes to the Financial Statements

**YES NATURE TO NEIGHBORHOODS**

**Statement of Activities  
For the Year Ended August 31, 2017  
(With Comparative Totals for the Year Ended August 31, 2016)**

	Unrestricted	Temporarily Restricted	Total	
			2017	2016
<b>Support and Revenue</b>				
Support				
Foundation and corporate grants	\$ 107,088	\$ 327,321	\$ 434,409	\$ 797,768
Contributions	164,853		164,853	142,513
Government grants	90,511		90,511	85,416
In kind contributions	5,475		5,475	-
Special event, net (Note 7)	42,486		42,486	22,679
Total Support	<u>410,413</u>	<u>327,321</u>	<u>737,734</u>	<u>1,048,376</u>
Revenue				
Program revenue	3,849		3,849	7,411
Investment activity	1,950		1,950	2,978
Other	236		236	480
Total Revenue	<u>6,035</u>	<u>-</u>	<u>6,035</u>	<u>10,869</u>
Net assets released from donor restrictions (Note 6)	589,233	(589,233)	-	-
Total Support and Revenue	<u>1,005,681</u>	<u>(261,912)</u>	<u>743,769</u>	<u>1,059,245</u>
<b>Expenses</b>				
Program	645,339		645,339	613,959
Management and general	63,496		63,496	80,780
Fundraising	124,365		124,365	108,923
Total Expenses	<u>833,200</u>	<u>-</u>	<u>833,200</u>	<u>803,662</u>
Change in net assets	172,481	(261,912)	(89,431)	255,583
Net Assets, beginning of year	<u>240,325</u>	<u>451,375</u>	<u>691,700</u>	<u>436,117</u>
Net Assets, end of year	<u>\$ 412,806</u>	<u>\$ 189,463</u>	<u>\$ 602,269</u>	<u>\$ 691,700</u>

See Notes to the Financial Statements

**YES NATURE TO NEIGHBORHOODS**

**Statement of Cash Flows  
For the Year Ended August 31, 2017  
(With Comparative Totals for the Year Ended August 31, 2016)**

	2017	2016
<b>Cash flows from operating activities</b>		
Change in net assets	\$ (89,431)	\$ 255,583
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Investment activity	(1,950)	(2,978)
Changes in assets and liabilities:		
Grants and pledges receivable	300,481	(232,746)
Accrued interest	226	3,715
Prepaid expenses	(3,124)	(540)
Deposits	-	(2,700)
Accounts payable and accrued expenses	3,876	43,982
Accrued vacation	3	8,818
Conditional sponsorships	46,315	10,000
Net cash provided (used) by operating activities	256,396	83,134
<b>Cash flows from investing activities</b>		
Purchases of investments	(103,553)	(19,877)
Proceeds from sale of investments	-	79,448
Net cash provided (used) by investing activities	(103,553)	59,571
Net change in cash	152,843	142,705
Cash, beginning of year	325,408	182,703
Cash, end of year	\$ 478,251	\$ 325,408

See Notes to the Financial Statements

**YES NATURE TO NEIGHBORHOODS**

**Statement of Functional Expenses  
For the Year Ended August 31, 2017  
(With Comparative Totals for the Year Ended August 31, 2016)**

	Program	Management and General	Fundraising	Total	
				2017	2016
Salaries	\$ 332,875	\$ 25,218	\$ 77,486	\$ 435,579	\$ 385,670
Retirement contributions	9,312	705	2,168	12,185	7,316
Other employee benefits	30,664	2,468	7,203	40,335	40,363
Payroll taxes	28,403	2,152	6,612	37,167	32,327
Total Personnel	<u>401,254</u>	<u>30,543</u>	<u>93,469</u>	<u>525,266</u>	<u>465,676</u>
Accounting fees	-	21,950	-	21,950	23,463
Professional fees	28,709	1,544	5,882	36,135	62,128
Supplies	19,552	1,030	11,212	31,794	32,337
Telephone	1,780	167	339	2,286	2,792
Postage and delivery	1,180	119	675	1,974	2,295
Equipment rental and maintenance	1,107	104	211	1,422	1,753
Copy and printing	4,670	395	3,990	9,055	6,329
Travel and meals	16,454	58	118	16,630	23,690
Conferences, conventions, meetings	177	1,264	263	1,704	1,504
Occupancy	154,077	3,054	5,042	162,173	165,106
Information technology	4,296	493	903	5,692	2,915
Insurance	4,003	2,571	763	7,337	5,570
Dues, licenses and service fees	1,259	149	1,086	2,494	2,697
Miscellaneous	6,821	55	412	7,288	5,407
Total Expenses	<u>\$ 645,339</u>	<u>\$ 63,496</u>	<u>\$ 124,365</u>	<u>\$ 833,200</u>	<u>\$ 803,662</u>

See Notes to the Financial Statements

## YES NATURE TO NEIGHBORHOODS

### Notes to the Financial Statements For the Year Ended August 31, 2017 (With Comparative Totals for the Year Ended August 31, 2016)

---

#### NOTE 1: NATURE OF ACTIVITIES

YES Nature to Neighborhoods (YES or the Organization) is a nonprofit public benefit corporation incorporated in California in 2002. Programs within YES's Leadership Pathways model include: 1) the Summer Camp, Camp Days, and Richmond Rangers programs providing support for children and youth to attend overnight summer camp and outings to local, regional parks; 2) the Camp-to-Community (C2C) youth development program for teens; 3) Family Camp providing weekend-long family camping and community-building experiences; 4) the Wellness Program, an adult health advocacy and leadership program; and 5) YES is the backbone organization for the North Richmond Network, a community coalition that seeks to improve outcomes for North Richmond youth and families through school and neighborhood advocacy.

Each year YES serves over 650 participants in its leadership pathways. The largest of these programs, Summer Camp and Family Camp, served 301 and 304 people respectively in 2017 and are the entry points for hundreds of participants into YES's pathways programming. Thirty-seven C2C teen leaders and 20 adult Wellness Navigators were actively engaged with YES's year-round skill-building, leadership development, and advocacy work in the same period.

#### NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

##### **Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

##### **Basis of Presentation**

The Organization presents information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The three classes are differentiated by donor restrictions.

*Unrestricted net assets* – consist of resources which have not been specifically restricted by a donor. Unrestricted net assets may be designated for specific purposes by the Organization or may be limited by contractual agreements with outside parties.

*Temporarily restricted net assets* – represent contributions and other inflows of assets whose use is limited by donor-imposed stipulations that expire by the passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations.

*Permanently restricted net assets* – represent contributions and other inflows of assets whose use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization, other asset enhancements and diminishments subject to the same kinds of stipulations or reclassifications from or to other classes of net assets as a consequence of donor-imposed stipulations. There were no permanently restricted net assets as of August 31, 2017.

## **YES NATURE TO NEIGHBORHOODS**

### **Notes to the Financial Statements For the Year Ended August 31, 2017 (With Comparative Totals for the Year Ended August 31, 2016)**

---

#### **Contributions**

Contributions, including unconditional promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give are not recognized until they become unconditional; that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the date of contribution. Contributions to be received after one year are discounted at an appropriate rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Unrestricted contributions and grants are recorded as unrestricted revenue when received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

#### **Income Taxes**

The Internal Revenue Service and the California Franchise Tax Board have determined that the Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and the California Revenue and Taxation Code Section 23701(d). The Organization has evaluated its current tax positions as of August 31, 2017 and is not aware of any significant uncertain tax positions for which a reserve would be necessary. The Organization's tax returns are generally subject to examination by federal and state taxing authorities for three and four years, respectively after they are filed.

#### **Contributed Services**

Contributed services are reflected in the financial statements at the fair value of the services received only if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

#### **Grants and Pledges Receivable**

The Organization considers all grants and pledges receivable to be fully collectible at August 31, 2017. Accordingly, no allowance for doubtful accounts was deemed necessary. If amounts become uncollectible, they are charged to expense in the period in which that determination is made.

#### **Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements

## YES NATURE TO NEIGHBORHOODS

### Notes to the Financial Statements For the Year Ended August 31, 2017 (With Comparative Totals for the Year Ended August 31, 2016)

---

and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

#### **Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all money market funds and other highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

#### **Concentration of Credit Risk**

At times, the Organization may have deposits in excess of federally insured limits. The risk is managed by maintaining all deposits in high quality financial institutions.

#### **Property and Equipment**

All acquisitions of property and equipment in excess of \$1,500 and all expenditures for repairs and maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are stated at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives on the property and equipment. The Organization had no property and equipment that met this capitalization policy at August 31, 2017.

#### **Conditional Sponsorships**

Conditional sponsorships represent sponsorship payments received for Rock in the Redwoods event to be held after year end.

#### **Functional Allocation of Expenses**

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

#### **Prior Year Summarized Information**

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended August 31, 2016, from which the summarized information was derived.

#### **Reclassifications**

Certain accounts in the prior year's summarized information have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

## YES NATURE TO NEIGHBORHOODS

### Notes to the Financial Statements For the Year Ended August 31, 2017 (With Comparative Totals for the Year Ended August 31, 2016)

---

#### Subsequent Events

The Organization has evaluated subsequent events and has concluded that as of January 19, 2018 the date that the financial statements were available to be issued, there were no significant subsequent events to disclose.

#### NOTE 3: INVESTMENTS

Investments consisted of the following as of August 31:

	<u>2017</u>	<u>2016</u>
Cash and cash equivalents	\$ 6,356	\$ 5,682
Mutual funds and ETF funds	153,283	48,454
Pooled investment	<u>15,000</u>	<u>15,000</u>
Total	<u>\$ 174,639</u>	<u>\$ 69,136</u>

#### NOTE 4: FAIR VALUE MEASUREMENTS

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Organization determines the fair values of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 - Inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the assets or liability.

Fair values of assets measured on recurring basis were as follows as of August 31, 2017:

	<u>Level 1</u>	<u>Level 3</u>	<u>Total</u>
Cash and cash equivalents	\$ 6,356	\$ -	\$ 6,356
Mutual Funds and ETFs:			
Blended	62,970	-	62,970
Fixed income	90,313	-	90,313
Pooled investments	<u>-</u>	<u>15,000</u>	<u>15,000</u>
Total	<u>\$ 159,639</u>	<u>\$ 15,000</u>	<u>\$ 174,639</u>

#### NOTE 5: CONTINGENCIES

Grant awards require the fulfillment of certain conditions as set forth in the instrument of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization deems this contingency remote since by accepting the grants and their terms, it has accommodated the objectives of the Organization to the provisions of the grants. The Organization's management is of the opinion that the Organization has complied with the terms of all grants.

## YES NATURE TO NEIGHBORHOODS

### Notes to the Financial Statements For the Year Ended August 31, 2017 (With Comparative Totals for the Year Ended August 31, 2016)

---

#### NOTE 6: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were available as follows as of August 31:

	<u>2017</u>	<u>2016</u>
Wellness Program	\$ -	\$ 65,605
Family Camp Program	20,833	59,353
Summer Camp Program	40,600	10,000
Strategic Plan Development	52,500	150,000
C2C Program	58,308	109,194
Future Operations	<u>17,222</u>	<u>57,223</u>
Total	<u>\$ 189,463</u>	<u>\$ 451,375</u>

Temporarily restricted net assets were released from donor restriction by incurring expenses satisfying the purposes specified by donors as follows during the years ended August 31:

	<u>2017</u>	<u>2016</u>
Wellness Program	\$ 73,105	\$ 63,667
Family Camp Program	93,520	91,666
Summer Camp Program	148,500	78,125
Strategic Plan Development	107,500	156,000
C2C Program	126,608	77,992
Future Operations	<u>40,000</u>	<u>80,944</u>
Total	<u>\$ 589,233</u>	<u>\$ 548,394</u>

#### NOTE 7: SPECIAL EVENT

The Organization held a fundraising event during the year. Activity related to the event was as follows during the years ended August 31:

	<u>2017</u>	<u>2016</u>
Admission	\$ 10,800	\$ 5,040
Donations and sponsorships	35,405	22,007
In-kind contributions	4,227	4,227
Raffle	170	-
Less: Costs of direct donor benefit	<u>(8,116)</u>	<u>(8,595)</u>
Total	<u>\$ 42,486</u>	<u>\$ 22,679</u>

#### NOTE 8: RETIREMENT PLAN

The Organization provides a retirement plan for regular full-time employees. The retirement benefit is a 403(b) plan and offers to match employee contributions up to 3% of their annual salary on a yearly basis. Regular full-time employees become eligible for retirement benefits on the first of the month 30 days after hire. The Organization contributed \$12,185 and \$7,316 for the years ended August 31, 2017 and 2016, respectively.

**YES NATURE TO NEIGHBORHOODS**

**Notes to the Financial Statements  
For the Year Ended August 31, 2017  
(With Comparative Totals for the Year Ended August 31, 2016)**

---

**NOTE 9: CONDITIONAL PROMISES TO GIVE**

In addition to the activity reflected on the Organization's statement of activity, the Organization received a \$20,000 conditional promise to give as of August 31, 2017 contingent upon program performance and reporting. The Organization recognizes such promises to give as support once the related contingencies are satisfied.