
YES NATURE TO NEIGHBORHOODS

FINANCIAL STATEMENTS

August 31, 2018

(WITH COMPARATIVE TOTALS AS OF AUGUST 31, 2017)

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, 2018, 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, 2018, 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.

Report on Summarized Comparative Information

We have previously audited the YES Nature to Neighborhoods' August 31, 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 19, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Croody + Lameda CPAs LLP

Oakland, California

January 22, 2019

YES NATURE TO NEIGHBORHOODS

Statement of Financial Position
August 31, 2018
(With Comparative Totals as of August 31, 2017)

	<u>2018</u>	<u>2017</u>
Assets		
Current Assets		
Cash	\$ 352,802	\$ 478,251
Investments (Note 3)	490,100	174,639
Grants and pledges receivable	11,406	65,739
Prepaid expenses	19,120	11,546
Total Current Assets	<u>873,428</u>	<u>730,175</u>
Deposits	<u>4,050</u>	<u>4,050</u>
Total Assets	<u>\$ 877,478</u>	<u>\$ 734,225</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 79,013	\$ 66,820
Accrued vacation	15,396	8,821
Conditional sponsorships	53,095	56,315
Total Liabilities	<u>147,504</u>	<u>131,956</u>
Commitments and Contingencies (Notes 5 and 6)		
Net Assets		
Unrestricted	524,858	412,806
Temporarily restricted (Note 7)	205,116	189,463
Total Net Assets	<u>729,974</u>	<u>602,269</u>
Total Liabilities and Net Assets	<u>\$ 877,478</u>	<u>\$ 734,225</u>

See Notes to the Financial Statements

YES NATURE TO NEIGHBORHOODS

**Statement of Activities
For the Year Ended August 31, 2018
(With Comparative Totals for the Year Ended August 31, 2017)**

	Unrestricted	Temporarily Restricted	Total	
			2018	2017
Support and Revenue				
Support				
Foundation and corporate grants	\$ 349,342	\$ 362,300	\$ 711,642	\$ 434,409
Contributions	162,767		162,767	164,853
Government grants	76,545		76,545	90,511
In kind contributions	3,183		3,183	5,475
Special event, net (Note 8)	79,663		79,663	42,486
Total Support	<u>671,500</u>	<u>362,300</u>	<u>1,033,800</u>	<u>737,734</u>
Revenue				
Program revenue	11,599		11,599	3,849
Investment activity	7,553		7,553	1,950
Other			-	236
Total Revenue	<u>19,152</u>	<u>-</u>	<u>19,152</u>	<u>6,035</u>
Net assets released from donor restrictions (Note 7)	346,647	(346,647)	-	-
Total Support and Revenue	<u>1,037,299</u>	<u>15,653</u>	<u>1,052,952</u>	<u>743,769</u>
Expenses				
Program	722,619		722,619	645,339
Management and general	81,698		81,698	63,496
Fundraising	120,930		120,930	124,365
Total Expenses	<u>925,247</u>	<u>-</u>	<u>925,247</u>	<u>833,200</u>
Change in net assets	112,052	15,653	127,705	(89,431)
Net Assets, beginning of year	<u>412,806</u>	<u>189,463</u>	<u>602,269</u>	<u>691,700</u>
Net Assets, end of year	<u>\$ 524,858</u>	<u>\$ 205,116</u>	<u>\$ 729,974</u>	<u>\$ 602,269</u>

See Notes to the Financial Statements

YES NATURE TO NEIGHBORHOODS

**Statement of Cash Flows
For the Year Ended August 31, 2018
(With Comparative Totals for the Year Ended August 31, 2017)**

	2018	2017
Cash flows from operating activities		
Change in net assets	\$ 127,705	\$ (89,431)
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Investment activity	(7,553)	(1,950)
Stock donation	(7,908)	-
Changes in assets and liabilities:		
Grants and pledges receivable	54,333	300,481
Accrued interest	-	226
Prepaid expenses	(7,574)	(3,124)
Accounts payable and accrued expenses	12,193	3,876
Accrued vacation	6,575	3
Conditional sponsorships	(3,220)	46,315
Net cash provided (used) by operating activities	174,551	256,396
Cash flows from investing activities		
Purchases of investments	(300,000)	(103,553)
Net cash provided (used) by investing activities	(300,000)	(103,553)
Net change in cash	(125,449)	152,843
Cash, beginning of year	478,251	325,408
Cash, end of year	\$ 352,802	\$ 478,251

See Notes to the Financial Statements

YES NATURE TO NEIGHBORHOODS

**Statement of Functional Expenses
For the Year Ended August 31, 2018
(With Comparative Totals for the Year Ended August 31, 2017)**

	Program	Management and General	Fundraising	Total	
				2018	2017
Salaries	\$ 364,140	\$ 28,762	\$ 69,216	\$ 462,118	\$ 435,579
Retirement contributions	8,805	623	1,635	11,063	12,185
Other employee benefits	33,745	3,055	6,307	43,107	40,335
Payroll taxes	30,052	2,353	5,704	38,109	37,167
Total Personnel	<u>436,742</u>	<u>34,793</u>	<u>82,862</u>	<u>554,397</u>	<u>525,266</u>
Accounting fees	-	24,963	-	24,963	21,950
Professional fees	65,537	4,888	7,098	77,523	36,135
Supplies and office expenses	25,852	2,219	20,197	48,268	46,531
Travel and meals	17,292	53	320	17,665	16,630
Conferences, conventions, meetings	665	4,609	246	5,520	1,704
Occupancy	152,627	4,044	6,458	163,129	162,173
Information technology	1,855	269	376	2,500	5,692
Insurance	4,851	3,739	972	9,562	7,337
Dues, licenses and service fees	153	1,181	1,180	2,514	2,494
Miscellaneous	17,045	940	1,221	19,206	7,288
Total Expenses	<u>\$ 722,619</u>	<u>\$ 81,698</u>	<u>\$ 120,930</u>	<u>\$ 925,247</u>	<u>\$ 833,200</u>

See Notes to the Financial Statements

YES NATURE TO NEIGHBORHOODS

Notes to the Financial Statements For the Year Ended August 31, 2018 (With Comparative Totals for the Year Ended August 31, 2017)

NOTE 1: NATURE OF ACTIVITIES

YES Nature to Neighborhoods (YES or the Organization) is a nonprofit public benefit corporation incorporated in California in 2002. In partnership with nature, YES nurtures leaders who champion the wellbeing of our community. Our vision is for Richmond youth, adults, and families to lead healthy, connected lives; motivate change in their neighborhoods; and inspire a safe, thriving community. 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; and 4) the Adult Leaders Program, providing workshops to develop adults as community leaders and health advocates.

In 2017/18 YES served over 600 participants in its leadership pathways. The largest of these programs, Summer Camp and Family Camp, served 302 and 290 people respectively in 2018 and are the entry points for hundreds of participants into YES's year-round pathways programming. Sixty-seven C2C teen leaders 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, 2018.

YES NATURE TO NEIGHBORHOODS

Notes to the Financial Statements For the Year Ended August 31, 2018 (With Comparative Totals for the Year Ended August 31, 2017)

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, 2018 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, 2018. 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, 2018 (With Comparative Totals for the Year Ended August 31, 2017)

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, 2018.

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, 2017, 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, 2018 (With Comparative Totals for the Year Ended August 31, 2017)

Subsequent Events

The Organization has evaluated subsequent events and has concluded that as of January 22, 2019 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>2018</u>	<u>2017</u>
Cash and cash equivalents	\$ 1,148	\$ 6,356
Mutual funds and ETF funds	473,034	153,283
Pooled investment	<u>15,918</u>	<u>15,000</u>
Total	<u>\$ 490,100</u>	<u>\$ 174,639</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, 2018:

	<u>Level 1</u>	<u>Level 3</u>	<u>Total</u>
Cash and cash equivalents	\$ 1,148	\$ -	\$ 1,148
Mutual Funds and ETFs:			
Blended	344,612	-	344,612
Fixed income	128,422	-	128,422
Pooled investments	<u>-</u>	<u>15,918</u>	<u>15,918</u>
Total	<u>\$ 474,182</u>	<u>\$ 15,918</u>	<u>\$ 490,100</u>

NOTE 5: COMMITMENTS

Operating Leases

The Organization is party to a lease for a copier that expires in April, 2023. Future minimum lease payments were as follows for the years ended August 31:

YES NATURE TO NEIGHBORHOODS

Notes to the Financial Statements For the Year Ended August 31, 2018 (With Comparative Totals for the Year Ended August 31, 2017)

2019	\$ 3,024
2020	3,024
2021	3,024
2022	3,024
2023	<u>2,268</u>
Total	<u>\$ 14,364</u>

NOTE 6: 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.

NOTE 7: TEMPORARILY RESTRICTED NET ASSETS

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

	<u>2018</u>	<u>2017</u>
Family Camp Program	\$ 2,867	\$ 20,833
Summer Camp Program	56,042	40,600
C2C Program	45,375	58,308
Future Operations	<u>100,832</u>	<u>69,722</u>
Total	<u>\$ 205,116</u>	<u>\$ 189,463</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>2018</u>	<u>2017</u>
Wellness Program	\$ 21,334	\$ 73,105
Family Camp Program	43,933	93,520
Summer Camp Program	112,058	148,500
C2C Program	100,433	126,608
Future Operations	<u>68,889</u>	<u>147,500</u>
Total	<u>\$ 346,647</u>	<u>\$ 589,233</u>

NOTE 8: 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>2018</u>	<u>2017</u>
Admission	\$ 11,200	\$ 10,800
Donations and sponsorships	70,880	35,405
In-kind contributions	3,563	4,227

YES NATURE TO NEIGHBORHOODS

**Notes to the Financial Statements
For the Year Ended August 31, 2018
(With Comparative Totals for the Year Ended August 31, 2017)**

Sales	2,665	-
Raffle	-	170
Less: Costs of direct donor benefit	<u>(8,645)</u>	<u>(8,116)</u>
Total	<u>\$ 79,663</u>	<u>\$ 42,486</u>

NOTE 9: 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 \$11,063 and \$12,185 for the years ended August 31, 2018 and 2017, respectively.

NOTE 10: CONDITIONAL PROMISES TO GIVE

In addition to the activity reflected on the Organization's statement of activity, the Organization received \$335,000 in conditional promises to give as of August 31, 2018 contingent upon program performance and reporting. The Organization recognizes such promises to give as support once the related contingencies are satisfied.