

CALIFORNIA YOUTH CONNECTION
(A NONPROFIT PUBLIC BENEFIT CORPORATION)

REPORT ON AUDIT OF FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022
(WITH SUMMARIZED COMPARATIVE FINANCIAL
INFORMATION FOR THE YEAR ENDED JUNE 30, 2021)

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INDEPENDENT AUDITOR'S REPORT

May 1, 2023

Board of Directors
California Youth Connection
Emeryville, California

Opinion

I have audited the accompanying financial statements of California Youth Connection (a nonprofit public benefit corporation), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of California Youth Connection as of June 30, 2022, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of California Youth Connection and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level

of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 California Youth Connection's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about California Youth Connection's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that I identified during the audit.

Report on Summarized Comparative Information

I have previously audited California Youth Connection's 2021 financial statements, and I expressed an unmodified audit opinion on those audited financial statements in my report dated April 26, 2022. In my opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Healy and Associates
Concord, California

CALIFORNIA YOUTH CONNECTION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022

(WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION AS OF JUNE 30, 2021)

	June 30	
	2022	2021
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,314,536	\$ 1,420,769
Grants receivable	871,461	1,658,861
Prepaid expenses	62,983	8,050
Total current assets	<u>3,248,980</u>	<u>3,087,680</u>
Property and equipment, net	<u>25,702</u>	<u>7,714</u>
Other assets:		
Security deposits	<u>8,172</u>	<u>8,172</u>
Total other assets	<u>8,172</u>	<u>8,172</u>
Total assets	<u>\$ 3,282,854</u>	<u>\$ 3,103,566</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 89,737	\$ 58,752
Accrued vacation payable	69,905	49,670
Lines of credit	<u>-</u>	<u>-</u>
Total liabilities	<u>159,642</u>	<u>108,422</u>
Commitments and contingencies		
Net assets:		
Without donor restrictions	2,073,357	1,332,453
With donor restrictions	<u>1,049,855</u>	<u>1,662,691</u>
Total net assets	<u>3,123,212</u>	<u>2,995,144</u>
Total liabilities and net assets	<u>\$ 3,282,854</u>	<u>\$ 3,103,566</u>

See Notes to Financial Statements

CALIFORNIA YOUTH CONNECTION

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2022

(WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2021)

	Without Donor Restrictions	With Donor Restrictions	Year Ended June 30	
			2022	2021
PUBLIC SUPPORT AND REVENUE				
Foundation and community grants	\$ 1,418,341	\$ -	\$ 1,418,341	\$ 2,147,313
Government grants	1,023,539	-	1,023,539	1,100,833
Individual contributions and other	107,366	-	107,366	67,590
Program service fees	3,397	-	3,397	3,200
Interest	270	-	270	615
Miscellaneous	206	-	206	-
Registration fees	-	-	-	1,087
Total public support and revenue	<u>2,553,119</u>	<u>-</u>	<u>2,553,119</u>	<u>3,320,638</u>
Net assets released from restriction	<u>612,836</u>	<u>(612,836)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>3,165,955</u>	<u>(612,836)</u>	<u>2,553,119</u>	<u>3,320,638</u>
EXPENSES				
Program services	1,333,946	-	1,333,946	1,143,016
Support services:				
Management and general	1,009,477	-	1,009,477	795,895
Fundraising	<u>81,628</u>	<u>-</u>	<u>81,628</u>	<u>102,757</u>
Total Expenses	<u>2,425,051</u>	<u>-</u>	<u>2,425,051</u>	<u>2,041,668</u>
CHANGES IN NET ASSETS	740,904	(612,836)	128,068	1,278,970
NET ASSETS, beginning of year	<u>1,332,453</u>	<u>1,662,691</u>	<u>2,995,144</u>	<u>1,716,174</u>
NET ASSETS, end of year	<u>\$ 2,073,357</u>	<u>\$ 1,049,855</u>	<u>\$ 3,123,212</u>	<u>\$ 2,995,144</u>

See Notes to Financial Statements

CALIFORNIA YOUTH CONNECTION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022
(WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2021)

	Program Services	Support Services			Totals	
		Management and General	Fundraising	Total	2022	2021
Salaries	\$ 925,574	\$ 532,068	\$ 65,774	\$ 597,842	\$ 1,523,416	\$ 1,176,223
Employee benefits	49,112	132,098	3,180	135,278	184,390	197,428
Payroll taxes	80,700	51,717	5,023	56,740	137,440	103,534
Total payroll-related costs	1,055,386	715,883	73,977	789,860	1,845,246	1,477,185
Consulting	71,246	78,407	5,577	83,984	155,230	313,698
Program expenses	114,247	18,474	1,015	19,489	133,736	58,072
Rent	-	89,176	-	89,176	89,176	90,425
Travel and entertainment	73,301	299	-	299	73,600	4,733
Dues and subscriptions	10,020	14,664	24	14,688	24,708	16,035
Telephone	12,841	8,585	712	9,297	22,138	16,136
Insurance	-	15,234	-	15,234	15,234	15,443
Accounting and audit fees	-	14,087	-	14,087	14,087	13,860
Miscellaneous	-	9,355	-	9,355	9,355	13,633
Office expenses	1,091	8,487	-	8,487	9,578	270
Utilities	-	7,459	-	7,459	7,459	949
Depreciation	5,724	-	-	-	5,724	1,373
Postage and delivery	4,007	1,252	253	1,505	5,512	4,267
Payroll fees	3,121	2,287	70	2,357	5,478	696
Staff development	1,291	1,893	-	1,893	3,184	4,051
Equipment	(18,861)	21,567	-	21,567	2,706	3,318
Repair and maintenance	-	1,979	-	1,979	1,979	980
Supplies	439	272	-	272	711	1,966
Printing and reproduction	93	117	-	117	210	70
Miscellaneous	-	-	-	-	-	3,160
Taxes and licenses	-	-	-	-	-	88
Bank service charges	-	-	-	-	-	1,260
TOTAL EXPENSES	\$ 1,333,946	\$ 1,009,477	\$ 81,628	\$ 1,091,105	\$ 2,425,051	\$ 2,041,668

CALIFORNIA YOUTH CONNECTION

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2022

(WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2021)

	Year Ended June 30	
	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ 128,068	\$ 1,278,970
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	5,724	1,373
Changes in assets and liabilities:		
Grants receivable	787,400	(619,975)
Prepaid expenses	(54,933)	4,903
Accounts payable and accrued expenses	<u>51,220</u>	<u>64,107</u>
NET CASH PROVIDED IN OPERATING ACTIVITIES	<u>917,479</u>	<u>729,378</u>
CASH FLOWS FROM INVESTING ACTIVITY:		
Purchase of equipment	<u>(23,712)</u>	<u>(9,087)</u>
NET CASH USED IN INVESTING ACTIVITY	<u>(23,712)</u>	<u>(9,087)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	893,767	720,291
CASH AND CASH EQUIVALENTS, beginning of year	<u>1,420,769</u>	<u>700,478</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 2,314,536</u>	<u>\$ 1,420,769</u>

See Notes to Financial Statements

CALIFORNIA YOUTH CONNECTIONS

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

(WITH SUMMARIZED FINANCIAL INFORMATION OF THE YEAR ENDED JUNE 30, 2021)

NOTE A – ORGANIZATION

California Youth Connection (“CYC” or “Organization”) is a nonprofit public benefit corporation incorporated in 1988 in California, and based in Emeryville, CA.

The mission of California Youth Connection (CYC), a youth-led organization, is to develop leaders who empower each other and their communities to transform the foster care system through legislative, policy, and practice change.

CYC is an advocacy/youth leadership organization composed of current and former foster youth that strive to improve the foster care system by making it possible for the youth to have a say in how child welfare services are delivered. With 42 county-based chapters and subchapters throughout California, and over 900 members, CYC works at the state and local levels to educate legislators and policy makers about how policies and programs affect foster youth.

In 2021, CYC acquired the Foster Youth in Action programming and employees and now is the home to the national network, supporting other statewide agencies like CYC to strengthen local advocacy work and create positive, youth-led change in their own states.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Method and Basis of Presentation

The accounting records of the Organization are maintained on the accrual basis of accounting. The financial statements of the Organization have been prepared in accordance with ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*, which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and the Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

CALIFORNIA YOUTH CONNECTIONS

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

(WITH SUMMARIZED FINANCIAL INFORMATION OF THE YEAR ENDED JUNE 30, 2021)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires the Organization to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Grants Receivable

Grants receivable are receivables primarily from foundations and governmental agencies, which are considered fully collectible by management. Therefore, no allowance for doubtful accounts has been provided.

Fair Value Measurements

The Organization's financial instruments include cash and cash equivalents (Level 1). The carrying amount of these financial instruments has been estimated by management to approximate fair value. Fair value is defined as "the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date." When determining the inputs used to measure fair value, the highest priority is given to observable inputs and lowest priority is given to unobservable inputs. Accounting Standards Codification (ASC) 820-10, *Fair Value Measurement*, establishes a fair value hierarchy to prioritize the inputs used in measuring fair value. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1— Quoted prices for identical assets in active markets.

Level 2—Observable inputs other than Level 1, which include quoted prices for similar assets in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument.

Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair values of the assets.

CALIFORNIA YOUTH CONNECTIONS

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

(WITH SUMMARIZED FINANCIAL INFORMATION OF THE YEAR ENDED JUNE 30, 2021)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are capitalized if the cost of an asset is greater than or equal to \$2,500 and the useful life is greater than one year. Property and equipment are recorded at cost if purchased or at fair market value at the date of donation. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets. Maintenance and repair costs are charged to expense as incurred.

Income Tax Status

The Organization has received exempt status under section 501(c)(3) of the Internal Revenue Code, and Section 23701(d) of the State of California Revenue and Taxation Code. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS along with related state filings. The related tax returns are subject to examination by federal and state taxing authorities generally for three years after they are filed. The Organization has no unrelated business income, and management has analyzed tax positions taken and has concluded that, as of June 30, 2022, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

Contributions and Revenue

The Organization is supported through contributions and grants from corporations, governmental grants, charitable organizations, and individuals.

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

A portion of the Organization's revenue is derived from cost-reimbursable grants, which are conditioned upon the incurrence of allowable qualifying expenses or the performance of services. Amounts received are recognized as revenue when the Organization has incurred expenditures or provided services in compliance with specific grant provisions. Amounts received prior to incurring qualifying expenditures or providing services are reported as advances, if any, in the statement of financial position. The Organization has \$984,000 in cost-reimbursement grants that have not been recognized at June 30, 2022, because qualifying expenditures have not yet been incurred. No amounts have been received in advance under the cost-reimbursable grants.

Program service and registration fees are recognized when the services have been provided, with the advance payments, if any, recognized in the statement of financial position as deferred revenue.

CALIFORNIA YOUTH CONNECTIONS

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

(WITH SUMMARIZED FINANCIAL INFORMATION OF THE YEAR ENDED JUNE 30, 2021)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Materials and Services

Contributions of donated non-cash assets are recorded at fair value in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at fair value in the period received. The Organization received no donated services or non-cash assets during the years ended June 30, 2022 and 2021.

Concentrations

Financial instruments that are potentially subject to concentration of credit risk consist primarily of cash and cash equivalents and accounts receivables. The Organization places its cash and cash equivalents with high-credit, quality financial institutions. At June 30, 2022 and 2021, cash and cash equivalents were in excess of the Federal Deposit Insurance Corporation insurance limit by \$1,561,433 and \$665,929, respectively. The Organization monitors the solvency of the financial institution and has not incurred losses on these instruments.

Grants receivable constitute a concentration of credit risk as approximately 63% is due from one funder. The liquidity of this funder is not a concern to management at this time.

During the year ended June 30, 2022, approximately 57% of the Organization's revenue and support is from two funders (31% and 26%). The level of this support and fees varies which could affect the level of activities and program services offered by the Organization.

Functional Allocation of Expenses

The costs for providing the Organization's programs and other activities have been summarized on a functional basis in the statement of functional expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit. The Organization uses employee compensation by program and support to allocate indirect costs.

CALIFORNIA YOUTH CONNECTIONS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022
(WITH SUMMARIZED FINANCIAL INFORMATION OF THE YEAR ENDED JUNE 30, 2021)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Comparative Financial Information and Reclassifications

The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with the audited financial statements for the year ended June 30, 2021, from which the summarized information was derived.

Relevant Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). The new standard establishes a comprehensive new lease accounting model. It clarifies the definition of a lease and causes lessees to recognize leases on the statement of financial position as a lease liability with a corresponding right-of-use asset for leases with a lease term of more than one year. It is effective for financial statements issued for fiscal years beginning after December 15, 2021, and interim periods within those fiscal years. Early adoption is permitted. The standard requires a modified retrospective transition for capital or operating leases existing at or entered into after the beginning of the earliest comparative period presented in the financial statements, but it does not require transition accounting for leases that expire prior to the date of initial application. The Organization is currently evaluating the impact of adopting this new guidance on its financial statements.

NOTE C – GRANTS RECEIVABLE

Grants receivable at June 30, 2022 and 2021 consist of the following:

	<u>2022</u>	<u>2021</u>
Grants receivable	\$295,910	\$1,174,086
Government grants receivable	<u>575,551</u>	<u>484,775</u>
Total receivables	<u>\$871,461</u>	<u>\$1,658,861</u>

CALIFORNIA YOUTH CONNECTIONS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022
(WITH SUMMARIZED FINANCIAL INFORMATION OF THE YEAR ENDED JUNE 30, 2021)

NOTE D – PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2022 and 2021 consist of the following:

	<u>2022</u>	<u>2021</u>
Computers and equipment	\$ 32,800	\$ 9,087
Less: Accumulated depreciation	<u>(7,098)</u>	<u>(1,373)</u>
Property and equipment, net	<u>\$ 25,702</u>	<u>\$ 7,714</u>

Depreciation expense for the years ended June 30, 2022 and 2021 was \$5,724 and \$1,373, respectively.

NOTE E – LINES OF CREDIT

The Organization has a revolving line of credit agreement with a bank, for a maximum available amount of \$250,000. Borrowings from this line of credit bear interest at 1.25% over the index or 6.0% at June 30, 2022.

In addition, the Organization has a line of credit with a bank of \$10,000. Borrowings from this line of credit bear a variable interest rate.

The outstanding balances on the lines of credit at June 30, 2022 and 2021 is \$0 for both years.

NOTE F – COMMITMENTS AND CONTINGENCIES

Leases

The Organization leases office space in Emeryville, California through August 2024 at approximately \$7,500 per month. In addition, the Organization leases office machinery at approximately \$100 per month through 2024. The future minimum payments associated with these leases, are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2023	\$93,128
2024	\$88,129
2025	\$15,997

Rent expense under operating leases for the year ended June 30, 2022 and 2021 was \$89,176 and \$90,425, respectively.

CALIFORNIA YOUTH CONNECTIONS

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

(WITH SUMMARIZED FINANCIAL INFORMATION OF THE YEAR ENDED JUNE 30, 2021)

NOTE F – COMMITMENTS AND CONTINGENCIES (Continued)**Government Grants**

The Organization's government grants are subject to audit by the appropriate governmental funding agency; the purpose of such audit is to determine whether program funds are used in accordance with their respective guidelines and regulations. There is a risk that previously funded program costs may be disallowed after an audit, however, the ultimate outcome cannot be reasonably estimated and, accordingly, the Organization has no provisions for the possible disallowance of program costs on its financial statements.

Grants

Grant awards require the fulfillment of certain conditions as set forth in the instruments of the 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. Management is of the opinion that the Organization has complied with the terms of all grants.

NOTE G – LIQUIDITY AND AVAILABILITY

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

Cash and cash equivalents	\$2,314,536
Grants receivable	<u>871,461</u>
Total financial assets	<u>3,185,997</u>
Less amounts:	
Net assets with restrictions	<u>(1,049,855)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$2,136,142</u></u>

As part of the Organization's liquidity management, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

CALIFORNIA YOUTH CONNECTIONS

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

(WITH SUMMARIZED FINANCIAL INFORMATION OF THE YEAR ENDED JUNE 30, 2021)

NOTE H – NET ASSETS WITH DONOR RESTRICTIONS

For the year ended June 30, 2022, activity in net assets with donor restrictions consists of the following:

<u>Restriction</u>	<u>6/30/21</u>	<u>Awards</u>	<u>Releases</u>	<u>6/30/22</u>
<u>Purpose:</u>				
Youth programs	\$1,662,691	\$ -	(\$612,836)	\$1,049,855
Total	<u>\$1,662,691</u>	<u>\$ -</u>	<u>(\$612,836)</u>	<u>\$1,049,855</u>

NOTE I – EMPLOYEE BENEFITS

The Organization has a deferred contribution plan available for all employees. The Organization contributes an amount equal to 3% of each employee's gross annual income for all eligible employees. Contributions made to the plan for the years ended June 30, 2022 and 2021 were \$10,497 and \$7,664, respectively.

At June 30, 2022 and 2021, the Organization has accrued a liability for vacation payable in the amount of \$69,905 and \$49,670, respectively, and is reflected in the accompanying statement of financial position.

NOTE J – SUBSEQUENT EVENTS

The Organization evaluated subsequent events for recognition and disclosure through May 1, 2023, the date which the financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2022 that required recognition or disclosure in the financial statements