

**PALM BEACH COUNTY  
YOUTH FOR CHRIST, INC.**

**FINANCIAL STATEMENTS**

**JUNE 30, 2023**

## **TABLE OF CONTENTS**

	<u>PAGE</u>
INDEPENDENT ACCOUNTANT'S AUDIT REPORT.....	1-3
STATEMENT OF FINANCIAL POSITION.....	4
STATEMENT OF ACTIVITIES.....	5
STATEMENT OF CASH FLOWS.....	6
STATEMENT OF FUNCTIONAL EXPENSES.....	7
NOTES TO FINANCIAL STATEMENTS.....	8-11
SUPPLEMENTAL SCHEDULE OF EXPENSES - ACTUAL AND BUDGET.....	12

**KATHLEEN M. SHAFER**  
**Certified Public Accountant**

1850 Forest Hill Blvd., Suite 204  
West Palm Beach, Florida 33406  
TEL. 561-963-1003  
FAX 877-811-0643

Member of Florida Institute of Certified Public Accountants

---

**Independent Accountant's Audit Report**

Board of Directors  
Palm Beach County Youth for Christ, Inc.  
West Palm Beach, Florida

**Opinion**

I have audited the financial statements of Palm Beach County Youth for Christ, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, 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 present fairly, in all material respects, the financial position of Palm Beach County Youth for Christ, Inc. as of June 30, 2023, 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.

**Basis for Opinion**

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Palm Beach County Youth for Christ, Inc. 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 opinions.

**Responsibilities of Management 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, 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 misstatements, 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 Palm Beach County Youth for Christ, Inc.'s ability to continue as a going concern within one year after the date 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 and *Government 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 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 Palm Beach County Youth for Christ, Inc.'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 Palm Beach County Youth for Christ, Inc.'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 reviewed Palm Beach County Youth for Christ, Inc.'s June 30, 2022 financial statements. Based on that review, I was not aware of any material modifications that should be made to those financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. In my opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the reviewed financial statements from which it has been derived.

## **Report on Supplementary Information**

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Supplemental Schedule of Expenses – Budget and Actual on page 12 is presented for purposes of

additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink, appearing to read 'Kathleen M. Shafer'.

Kathleen M. Shafer, CPA  
West Palm Beach, Florida  
September 12, 2023

**PALM BEACH COUNTY YOUTH FOR CHRIST, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2023**  
**WITH COMPARATIVE TOTALS FROM JUNE 30, 2022**

	<b>FUNDS</b>			
	<b><u>WITHOUT DONOR RESTRICTIONS</u></b>	<b><u>WITH DONOR RESTRICTIONS</u></b>	<b><u>2023 TOTAL</u></b>	<b><u>2022 TOTAL</u></b>
<b><u>ASSETS</u></b>				
Cash	\$ 177,326	\$ 0	\$ 177,326	\$ 352,798
Short Term Savings/CDs	405,183	0	405,183	497,435
Investments	2,213,265	0	2,213,265	1,699,897
Accounts Receivable, Net	28,756	0	28,756	0
Mortgage Note Receivable	142,653	0	142,653	152,612
Prepaid Expenses	25,930	0	25,930	18,361
Accrued Interest	5,126	0	5,126	0
Vehicles & Equipment - Net	8,398	0	8,398	12,255
Total Assets	<u>\$ 3,006,637</u>	<u>\$ 0</u>	<u>\$ 3,006,637</u>	<u>\$ 2,733,358</u>
<b><u>LIABILITIES</u></b>				
Accounts Payable	\$ 2,106	\$ 0	\$ 2,106	\$ 5,292
Accrued Expenses	18,813	0	18,813	21,361
Total Liabilities	<u>20,919</u>	<u>\$ 0</u>	<u>20,919</u>	<u>26,653</u>
<b><u>NET ASSETS</u></b>	<u>2,985,718</u>	<u>0</u>	<u>2,985,718</u>	<u>2,706,705</u>
Total Liabilities & Net Assets	<u>\$ 3,006,637</u>	<u>\$ 0</u>	<u>\$ 3,006,637</u>	<u>\$ 2,733,358</u>

Read Accompanying Notes

**PALM BEACH COUNTY YOUTH FOR CHRIST, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**WITH COMPARATIVE TOTALS FROM JUNE 30, 2022**

	<b>FUNDS</b>			
	<b>WITHOUT DONOR RESTRICTIONS</b>	<b>WITH DONOR RESTRICTIONS</b>	<b>2023 TOTAL</b>	<b>2022 TOTAL</b>
<b>SUPPORT &amp; REVENUE</b>				
Contributions & Bequests	\$ 719,894	\$ 0	\$ 719,894	\$ 638,879
Fund Raising Events	197,586	0	197,586	248,784
Direct Benefits to Fund Raising Events	(16,998)	0	(16,998)	(11,940)
Program Income	156,074	0	156,074	61,381
Interest Income	17,246	0	17,246	10,512
In-Kind Contributions	36,441	0	36,441	36,442
Net Investment Income, Gains & Losses	134,144	0	134,144	(243,664)
Net Assets Released From Restriction	0	0	0	0
Total Revenue	<u>1,244,387</u>	<u>0</u>	<u>1,244,387</u>	<u>740,394</u>
<b>EXPENSES</b>				
<b>Program Services</b>				
Program Services	<u>849,452</u>	<u>0</u>	<u>849,452</u>	<u>864,665</u>
<b>Support Services</b>				
General & Administrative	65,625	0	65,625	45,846
Fund Raising and Promotion	<u>50,297</u>	<u>0</u>	<u>50,297</u>	<u>41,967</u>
Total Support Services	<u>115,922</u>	<u>0</u>	<u>115,922</u>	<u>87,813</u>
Total Expenses	<u>965,374</u>	<u>0</u>	<u>965,374</u>	<u>952,478</u>
<b>CHANGE IN NET ASSETS</b>	279,013	0	279,013	(212,084)
<b>BEGINNING NET ASSETS</b>	<u>2,706,705</u>	<u>0</u>	<u>2,706,705</u>	<u>2,918,789</u>
<b>ENDING NET ASSETS</b>	<u>\$ 2,985,718</u>	<u>\$ 0</u>	<u>\$ 2,985,718</u>	<u>\$ 2,706,705</u>

Read Accompanying Notes

**PALM BEACH COUNTY YOUTH FOR CHRIST, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**WITH COMPARATIVE TOTALS FROM JUNE 30, 2022**

---

	<u><b>2023</b></u>	<u><b>2022</b></u>
<b>OPERATING ACTIVITIES:</b>		
Change in Net Assets	\$ 279,013	\$ (212,084)
Adjustment to Reconcile Decrease in Net Assets to		
Net Cash Provided by ( Used in ) Operating Activities:		
Depreciation	3,857	5,738
Changes in Operating Assets and Liabilities:		
Accounts Receivables	(28,756)	0
Prepaid Expenses	(7,569)	15,603
Accounts Payable & Accrued Expenses	(5,734)	11,289
<b>Net Cash Provided by ( Used in ) Operating Activities</b>	<u>240,811</u>	<u>(179,454)</u>
<b>INVESTING ACTIVITIES:</b>		
Proceeds from Mortgage Receivable	9,959	11,623
Change in Investments	(426,242)	343,626
<b>Net Cash Used in Investing Activities</b>	<u>(416,283)</u>	<u>355,249</u>
<b>FINANCING ACTIVITIES:</b>		
Payment of Note Payable	<u>0</u>	<u>0</u>
<b>Net Cash Used in Financing Activities</b>	<u>0</u>	<u>0</u>
Increase/(Decrease) in Cash	(175,472)	175,795
Cash at Beginning of Year	<u>352,798</u>	<u>177,003</u>
<b>Cash at End of Year</b>	<u><u>\$ 177,326</u></u>	<u><u>\$ 352,798</u></u>

Read Accompanying Notes



**PALM BEACH COUNTY YOUTH FOR CHRIST, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**WITH COMPARATIVE TOTALS FROM JUNE 30, 2022**

---

<b><u>EXPENSES</u></b>	<b><u>Program Services</u></b>	<b><u>General &amp; Admin</u></b>	<b><u>Fund Raising</u></b>	<b><u>Total 2023</u></b>	<b><u>Total 2022</u></b>
Accounting	\$ 0	\$ 2,100	\$ 0	\$ 2,100	\$ 4,350
Bank & Merchant Fees	0	6,354	0	6,354	6,593
Charter Fee	0	20,878	0	20,878	20,910
Depreciation	3,857	0	0	3,857	5,738
Donations	0	0	0	0	14,162
Enter. & Field	0	0	2,555	2,555	1,847
Fundraising	0	0	19,772	19,772	13,112
Insurance	18,156	1,796	0	19,952	21,503
Interest	0	0	0	0	0
Ministry	35,015	0	0	35,015	29,373
Occupancy	52,079	8,478	0	60,557	61,811
Office	5,550	5,172	1,892	12,614	8,740
Printing	0	0	0	0	0
Programs	29,286	0	0	29,286	26,978
Personnel	683,733	20,367	23,276	727,376	702,221
Training	17,054	0	0	17,054	25,924
Postage	2,590	263	1,537	4,390	3,422
Scholarship	0	0	0	0	0
Telephone	2,132	217	1,265	3,614	5,794
<b>Total Expenses</b>	<b>\$ 849,452</b>	<b>\$ 65,625</b>	<b>\$ 50,297</b>	<b>\$ 965,374</b>	<b>\$ 952,478</b>

Read Accompanying Notes

**PALM BEACH COUNTY YOUTH FOR CHRIST, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

---

**1. General Description of Activities and Significant Accounting Policies:**

Palm Beach County Youth for Christ, Inc. (the "Organization") is a non-profit and tax-exempt organization. The objectives of the Organization are religious, philanthropic and educational. The mission of the Organization is to participate in the body of Christ in responsible evangelism of youth, presenting them with the person, work and teaching of Christ and discipling them into the church.

The significant accounting policies that follow are presented to enhance the usefulness of the financial statements to the reader.

**Cash and Cash Equivalents**

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**Promises to Give**

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

The Organization uses the allowance method to determine uncollectible promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made.

There are promises to give receivables of \$28,756 at June 30, 2023.

**Property and Equipment**

The Organization capitalizes property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as without donor restriction contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as with donor restriction contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies with donor restriction net assets to without donor restriction net assets at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from five to thirty years.

**PALM BEACH COUNTY YOUTH FOR CHRIST, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

---

**1. General Description of Activities and Significant Accounting Policies,  
Continued:**

**Contributions**

Contributions received are recorded as with donor restriction or without donor restriction net assets depending on the existence or nature of any donor restrictions.

**Contributed Services**

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services.

**Income Taxes**

The Organization is a not-for-profit Organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Functional Expenses**

Expenses are allocated based on their proportionate share of total expenses

**2. Restrictions on Net Assets:**

As of June 30, 2023, the Organization had no with donor restrictions net assets.

**3. Revenue Recognition**

The Organization recognizes revenue from grants and contracts when earned and other revenues and contributions when received. Pledges or promises to give that are, in substance, unconditional are considered a basis for recording future revenue.

**PALM BEACH COUNTY YOUTH FOR CHRIST, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

---

**4. Investments**

Investments are presented in the financial statements in the aggregate at their fair market value.

Investments are composed of the following:

	<u>Cost</u>	<u>Market</u>
Marketable Securities	\$2,139,906	\$2,213,265

Unrealized gains/(losses) on investments included in "Net Investment Income, Gains & Losses" for the year ending June 30, 2023 is \$73,359.

**5. Mortgage Note Receivable**

8% mortgage receivable in monthly installments of \$1,908 through 2031. The note is secured by land and building and matures June 2031.

**6. Summary of Fixed Assets and Depreciation**

Autos	\$ 66,361
Furniture & Equipment	<u>23,824</u>
	90,185
Less Accumulated Depreciation	<u>81,787</u>
	\$ <u>8,398</u>

**7. Charitable Lease**

The Organization leases certain facilities from a third party pursuant to operating lease agreements. The terms of the lease do not require the organization to make payments. The Organization has recorded a contribution and related rent expense in the amount of \$36,442 for the year ended June 30, 2022, representing the fair rental value of the property. The lease commenced on July 1, 2017 and has a term of 7 years. The owner of the building plans to sell the building at the end of the lease.

**8. Retirement Benefits**

The Organization offers a Simplified Employee Pension Plan (SEP) to its employees and makes contributions based on a percentage of the employees' wages. Employees are eligible to receive employer contributions after three years of service. Employer contributions are 9.0% of employee compensation. The total retirement contribution paid or accrued for the fiscal year end June 30, 2023 is \$37,763.

**PALM BEACH COUNTY YOUTH FOR CHRIST, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

---

**9. Restatement of Prior Account Balances**

The Organization restated its financial statements as of and for the year ended June 30, 2022. The following table shows previously reported amounts, the restatement adjustment and restated amounts at June 30, 2022. The restatements are related to an increase in the mortgage receivable of \$17,536 as a result of assessing late fees and accounting for missed payments

Net assets, previously reported	\$ 2,689,169
Prior period adjustment	<u>17,536</u>
Amount, as restated	<u>\$ 2,706,705</u>

**10. Availability and Liquidity:**

Financial assets of cash \$177,326, money market of \$405,183 and accounts receivable of \$28,756 for financial assets available of \$611,265 to meet expenses over next twelve months. In addition, the Organization has investments of \$2,213,265 that can easily be converted to cash. As part of the Organization's liquidity management plan, the Organization structures its assets to be available as general expenditures, liabilities and other obligations become due.

**11. Concentration of Risk**

The Organization is dependent on funding from grants and various other contributors. The amount of contributions is dependent on the funds available and the budgets of the contributors. Lack of funding could have a significant detrimental effect on the continued operations of the Organization.

**12. Evaluation of Subsequent Events:**

Subsequent events have been evaluated through September 12, 2023, which is the date the financial statements were issued.

**PALM BEACH COUNTY YOUTH FOR CHRIST, INC.**  
**SUPPLEMENTAL SCHEDULE OF EXPENSES - BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2023**

---

	<b>Unrestricted Operating Fund</b>	
	<u><b>Actual</b></u>	<u><b>Budget</b></u>
<b><u>EXPENSES</u></b>		
Accounting	\$ 2,100	\$ 2,200
Bank Fees	6,354	6,700
Charter Fee	20,878	25,000
Depreciation (1)	3,857	3,857
Development	0	0
Donations (1)	0	0
Enter. & Field	2,555	2,000
Fundraising (1)	19,772	19,772
Insurance	19,952	20,000
Interest	0	0
Ministry	35,015	30,100
Occupancy (1)	60,557	54,442
Office	12,614	8,000
Printing	0	0
Programs (1)	29,286	29,286
Personnel	727,376	731,505
Training	17,054	15,000
Postage	4,390	4,200
Scholarship (1)	0	0
Telephone	<u>3,614</u>	<u>3,200</u>
<b>Total Expenses</b>	<u><u>\$ 965,374</u></u>	<u><u>\$ 955,262</u></u>

(1) Amount added to approved budget.