VIETNAMESE YOUTH DEVELOPMENT CENTER

(A California Not-For-Profit Corporation)

FINANCIAL STATEMENTS

JUNE 30, 2018

RINA
accountancy corporation

VIETNAMESE YOUTH DEVELOPMENT CENTER

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Independent Auditors' Report

Board of Directors
Vietnamese Youth Development Center

We have audited the accompanying financial statements of Vietnamese Youth Development Center (a California not-for-profit corporation), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses and cash flows 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 the 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 Vietnamese Youth Development Center as of June 30, 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.

Rina Accountancy Corporation

Certified Public Accountants

San Francisco, California
April 29, 2019

VIETNAMESE YOUTH DEVELOPMENT CENTER

STATEMENT OF FINANCIAL POSITION – JUNE 30, 2018

ASSETS

CURRENT:		
Cash	$	275,230
Contracts and grants receivable		283,045
Prepaid expenses		6,252
TOTAL CURRENT ASSETS		564,527
PROPERTY AND EQUIPMENT, net		32,744
OTHER:		
Deposits		1,390
TOTAL ASSETS	$	598,661

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$	73,283
Accrued vacation		14,157
Line of credit		-
TOTAL LIABILITIES (ALL CURRENT)		87,440
NET ASSETS:		
Unrestricted		511,221
Temporarily restricted		-
TOTAL NET ASSETS		511,221
TOTAL LIABILITIES AND NET ASSETS	$	598,661

See notes to financial statements.

VIETNAMESE YOUTH DEVELOPMENT CENTER

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2018

	Unrestricted	Temporarily Restricted	Totals
SUPPORT AND REVENUE:			
Support:			
Government awards	$ 1,062,206	$ -	$ 1,062,206
Contributions	7,998	-	7,998
Foundation and business grants	21,218	-	21,218
Special event, net	62,070	-	62,070
Total support	1,153,492	-	1,153,492
Revenue:			
Other income	8,766	-	8,766
TOTAL SUPPORT AND REVENUE	1,162,258	-	1,162,258
EXPENSES:			
Program	834,820	-	834,820
Management and general	108,379	-	108,379
Fundraising	35,173	-	35,173
TOTAL EXPENSES	978,372	-	978,372
CHANGE IN NET ASSETS	183,886	-	183,886
NET ASSETS, beginning of year	327,335	-	327,335
NET ASSETS, end of year	$ 511,221	$ -	$ 511,221

See notes to financial statements.

VIETNAMESE YOUTH DEVELOPMENT CENTER

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2018

	Program	Management and General	Fundraising	Total
Salaries	$ 453,451	$ 17,439	$ 11,249	$ 482,139
Employee benefits	161,809	3,531	640	165,980
Payroll taxes	57,960	2,557	640	61,157
Total personnel	673,220	23,527	12,529	709,276
Office expenses	54,520	2,519	782	57,821
Professional fees	(6,416)	3,555	1,007	(1,854)
Occupancy	54,183	3,280	432	57,895
Advertising and promotion	13,210	387	88	13,685
Accounting	-	58,010	-	58,010
Travel and meals	6,681	412	635	7,728
Equipment rental and maintenance	4,990	149	43	5,182
Event expenses	140	-	15,312	15,452
Depreciation	-	10,313	-	10,313
Insurance	10,305	133	70	10,508
Interest	-	1,746	-	1,746
Miscellaneous	23,987	4,348	4,275	32,610
Total expenses	$ 834,820	$ 108,379	$ 35,173	$ 978,372

See notes to financial statements.

VIETNAMESE YOUTH DEVELOPMENT CENTER

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$	183,886
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		10,313
Decrease (increase) in:		
Contracts and grants receivable		169,029
Prepaid expenses		(5,600)
Deposits		-
Increase (decrease) in:		
Accounts payable and accrued expenses		(63,845)
Accrued vacation		(17,303)
Deferred revenue		-
NET CASH PROVIDED BY OPERATING ACTIVITIES		276,480
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets		(10,568)
NET CASH USED BY INVESTING ACTIVITIES		(10,568)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net change in lines of credit		(19,883)
Repayments on borrowings		-
NET CASH USED BY FINANCING ACTIVITIES		(19,883)
NET CHANGE IN CASH		246,029
CASH AND CASH EQUIVALENTS, beginning of year		29,199
CASH AND CASH EQUIVALENTS, end of year	$	275,230
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest	$	1,746

See notes to financial statements.

VIETNAMESE YOUTH DEVELOPMENT CENTER

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2018

Note 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of activities:

Vietnamese Youth Development Center (VYDC), a California non-profit organization formed in 1978 to provide employment skills training and opportunities, education and leadership development to Asian Pacific Islander and urban youth. VYDC its funding from local, county, and state agencies with certain portions of its funding originating from the federal government and private grants and contributions.

Financial statement format:

VYDC classifies its net assets and activities into one of three categories: unrestricted, temporarily restricted and permanently restricted. Descriptions of these categories are as follows:

Unrestricted: Those net assets and activities which represent the portion of expendable funds that are available to support operations. A portion of these net assets may be designated by the Board of Directors for specific purposes.

Temporarily restricted: Those net assets and activities which are donor-restricted for (a) support of specific operating activities; (b) investment for a specified term; (c) use in a specified future period; or (d) acquisition of long-lived assets. There were no temporarily restricted net assets as of June 30, 2018.

Permanently restricted: Those net assets and activities which are permanently donor-restricted for holdings of (a) assets donated with stipulations that they be used for a specified purpose, be preserved, and not sold; or (b) assets donated with stipulations that they be invested to provide a permanent source of income. There were no permanently restricted net assets as of June 30, 2018.

Cash:

Cash is considered to be short-term, highly liquid investments with original maturities of three months or less.

Accounts receivable:

Accounts receivable represent amounts billed but not yet collected. VYDC's management considers all accounts and grants receivable to be fully collectible at June 30, 2018. It is the VYDC's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

Property and equipment:

Property and equipment are stated at cost of acquisition or construction, or fair value if contributed. Capitalization policy states that records shall be maintained on all tangible fixed assets that have a historical cost of $2,500. The costs of maintenance and repairs are charged to expense as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

The useful lives of the assets are estimated as follows:

Building and improvements	10 years
Office furniture	3 years
Office equipment	3 years

VIETNAMESE YOUTH DEVELOPMENT CENTER

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2018

Note 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Revenue recognition:

Contributions are recognized as revenue when they are unconditionally communicated. Grants represent contributions if resource providers receive no value in exchange for the assets transferred. Contributions are recorded at their fair value as unrestricted support, temporarily restricted support, or permanently restricted support, depending on the absence or existence of donor-imposed restrictions as applicable. 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 statements of activities as net assets released from restrictions. Contributions restricted for the purchase of long-lived assets, are reported as unrestricted support, when expended for that purpose. Contributed services are stated at their estimated fair value, if they are ordinarily purchased and are of a specialized nature.

Income taxes:

VYDC is exempt from federal and state income taxes under Section 501 (c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue Taxation Code. Accordingly, no provision for income taxes has been made in the accompanying statements.

Subsequent events:

Management has evaluated subsequent events through April 29, 2019, the date which the financial statements were available for issue. No significant events were identified that require additional disclosure.

Note 2. NATURE OF ESTIMATES:

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

Note 3. CONCENTRATIONS OF RISK:

VYDC receives a portion of its support from state, county, and local governments. A significant reduction in the level of this support, if this were to occur, may have an effect on VYDC programs and activities.

Contracts and grants receivable consist principally of amounts due from other nonprofit organizations and government entities. Approximately 100% of the contracts and grants receivables were from government sources, and approximately 91% of total revenue was from government sources for the year ended June 30, 2018.

Financial instruments that potentially subject VYDC to concentrations of credit risk consist principally of cash and cash equivalents and receivables. At times, cash and cash equivalents were held in financial institutions in amounts exceeding the guaranteed amounts of the Federal Deposit Insurance Corporation.

Note 4. PROPERTY AND EQUIPMENT:

Property and equipment consisted of the following at June 30, 2018:

Furniture and equipment	$	131,084
Leasehold improvements		10,311
		141,395
Less accumulated depreciation		(108,651)
Total	$	32,744

Depreciation expense for the year ended June 30, 2018 was $10,313.

Note 5. COMMITMENTS AND CONTINGENCIES:

Commitments:

Operating Leases

VYDC is party to a lease for the community center and office space which expires in August 2026. Future minimum lease payments were as follows for the years ended June 30:

Year Ended June 30,		
2019	$	45,534
2020		46,896
2021		48,304
2022		49,754
2023		51,246
Thereafter		172,527
	$	414,261

Rent for the year ended June 30, 2018 was $37,092.

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. VYDC deems this contingency remote since by accepting the grants and their terms, it has accommodated the objectives of VYDC to the provisions of the grants. VYDC's management is of the opinion that VYDC has complied with the terms of all grants.