

THE YOUTH AND FAMILY CENTER

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2010

C.T. THOMAS & CO. LLC

C.T. THOMAS & CO. LLC

CPAS & BUSINESS CONSULTANTS
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Youth and Family Center

We have audited the accompanying statement of financial position of The Youth and Family Center (a nonprofit corporation) as of December 31, 2010, and the related Statements of Activities, Cash Flows, and Functional Expenses for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Youth and Family Center for the year ended December 31, 2010, and the change in its net assets and cash flows for the year then ended in conformity with United States generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Center. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole for December 31, 2010.

C.T. Thomas & Co. LLC

St. Louis, Missouri
June 30, 2011

THE YOUTH AND FAMILY CENTER
STATEMENTS OF FINANCIAL POSITION
As of December 31, 2010

ASSETS

Current Assets

Cash	\$	554,391
Marketable Securities		50,938
Other Current Receivables		1,100
Total Current Assets		<u>606,429</u>

Property & Equipment

Property & Equipment	\$	665,584
Accumulated Depreciation		(524,901)
Total Property & Equipment		<u>140,683</u>

Total Assets		<u><u>747,112</u></u>
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LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts Payable	\$	4,666
Payroll Liabilities		7,321
Line of Credit		-
Total current liabilities		<u>11,987</u>

Total liabilities		<u><u>11,987</u></u>
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Net Assets:

Temporarily Restricted	\$	19,365
Unrestricted		715,760
Total Net Assets		<u>735,125</u>

Total liabilities and net assets		<u><u>747,112</u></u>
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THE YOUTH AND FAMILY CENTER
STATEMENT OF CHANGES IN NET ASSETS
For the Year Ended December 31, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>REVENUES</u>			
Contributions, gifts and other support	163,553	2,500	166,053
United Way	392,964		392,964
Government Grants & Contracts	22,634		22,634
Interest & Dividends	578		578
Unrealized Gain on Marketable Securities			-
Membership & Program Fees	15,250		15,250
Other Income	5,787		5,787
Gain on Disposition of Assets	180,434		180,434
Net assets released from restrictions	2,500	(2,500)	-
	<u>783,699</u>	<u>-</u>	<u>783,699</u>
<u>EXPENDITURES</u>			
Program expenses	\$ 433,688		433,688
Management and general	167,110		167,110
Fundraising expenses	4,626		4,626
Total Expenditures	<u>605,425</u>		<u>605,425</u>
Increase (decrease) in net assets	<u>178,274</u>	<u>-</u>	<u>178,274</u>
NET ASSETS BEGINNING OF YEAR	<u>\$ 556,850</u>		<u>\$ 556,850</u>
NET ASSETS END OF YEAR	<u>\$ 735,125</u>	<u>\$ -</u>	<u>\$ 735,125</u>

THE YOUTH AND FAMILY CENTER
STATEMENT OF CASH FLOW
For the Year Ended December 31, 2010

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	\$ 178,274
Adjustments to reconcile decrease in net assets to net cash	
Provided by operating activities:	
Depreciation	34,953
Gain on Disposition of property	(180,434)
(Increase) /decrease in operating assets	(1,100)
Increase / (decrease) in operating liabilities	
Decrease in Accounts Payable	(7,110)
Increase in Payroll Liabilities & Other Accrued Expenses	4,094
	28,677
Net cash provided by operating activities	
CASH FLOWS FROM INVESTING ACTIVITIES	
Cash received from disposition of assets	277,718
	277,718
Net cash provided by investing activities	
CASH FLOWS FROM FINANCING ACTIVITIES	
Decrease in Line of Credit Payable	(10,053)
	(10,053)
Net cash provided by financing activities	
Total Increase (decrease) in cash	\$ 296,342
CASH BEGINNING OF YEAR	308,987
CASH END OF YEAR	\$ 605,329
<u>Supplemental Data:</u>	
Interest paid	\$ 344

THE YOUTH FAMILY CENTER
Functional Expenses
For the Year Ended December 31, 2010

	<u>GENERAL & ADMIN</u>	<u>FUND- RAISING</u>	<u>AFTER CARE</u>	<u>FAMILY LIFE</u>	<u>YOUTH</u>	<u>TOTAL</u>
Expense						
9400 · Marketing & Advertising	203		0	0	0	203
8850 · Meals - Programs & Activities	0		0	4,617	0	4,617
0925 · Bank Service Charges	1,126		0	0	0	1,126
0900 · General Expenses	753		0	0	0	753
0920 · Building Repairs & Maintenance	1,254		0	75	100	1,429
0950 · Board Meeting Expenses	679		0	0	0	679
0960 · Miscellenaous Expenses	524		0	0	0	524
0970 · Depreciation Expense	0		0	0	34,953	34,953
7010 · Salaries & Wages (YOP)	0		0	0	7,087	7,087
7000 · Salaries & Wages - Other	73,691	3,879	22,675	39,593	141,704	281,541
7100 · Employee Benefits	8,706	458	0	8,765	20,143	38,072
7210 · Payroll Taxes (YOP)	0		0	0	529	529
7200 · Payroll Taxes - Other	5,497	289	1,735	2,948	10,535	21,004
8010 · Professional Fees - YOP	0		0	0	3,550	3,550
8030 · Professional Fees	0		0	2,046	1,431	3,477
8000 · Professional Fees - Other	15,685		0	7,003	21,625	44,313
8110 · Supplies - YOP	0		0	0	520	520
8100 · Supplies - Other	3,315		0	891	12,745	16,951
8200 · Telephone	2,474		0	807	1,719	5,000
8300 · Postage & Shipping	133		0	79	198	410
8410 · Occupancy-YOP	0		0	0	150	150
8400 · Occupancy - Other	35,325		0	3,613	35,505	74,443
8500 · Rent/Maintain Equipment	435		0	166	386	987
8600 · Printing & Publications	650		0	0	1,629	2,279
8800 · Conferences, Meetings	2,902		0	0	0	2,902
8900 · Asst. to Individuals	0		0	4,405	2,059	6,464
9091 · Contributions to 501C-3 Orgs	0		0		2,950	2,950
9000 · Interest Expense	344		0	0	0	344
9300 · Local Transportation	2,287		0	4,041	14,350	20,678
9500 · Equipment - Purchase	1,029		0	514	1,029	2,572
9600 · Insurance	9,292		0	3,126	11,694	24,112
9691 · Dues to National Org.	808		0	0	0	808
						0
						0
						0
Total Expense	<u>167,110</u>	<u>4,626</u>	<u>24,409</u>	<u>82,688</u>	<u>326,591</u>	<u>605,425</u>

THE YOUTH AND FAMILY CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 1- Summary of Significant Accounting Policies

Nature of Operations

The Youth and Family Center is a nonprofit corporation founded in 1970. The center was organized to develop and operate educational and social centers in the North St. Louis.

Basis of accounting

The Program's financial statements are presented on the accrual basis of accounting and therefore reflect all significant receivables, payables, and other liabilities. Revenues are recognized in the period earned. Expenses are recognized in the period incurred.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS No. 117 "Financial Statements of Not-for-Profit Organizations." Under SFAS 117, the organization is required to report 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. In addition, the Center is required to present a statement of cash flows.

Expirations of temporary restrictions on net assets, the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed, is recorded as reclassifications between the applicable classes of net assets. Restricted contribution whose restrictions are met in the same reporting period are considered as unrestrictive support

Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Organization's cash and cash equivalents consists of all deposits in checking and savings accounts and investments in certain certificates of deposit with maturity dates of less than one year.

THE YOUTH AND FAMILY CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 1- Summary of Significant Accounting Policies (cont)

Functional Expenses

The costs of providing the various programs and 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. Other expenses that are common to several functions are allocated by various bases.

Classes of Net Assets

The financial statements report amounts separately by class of net assets.

Unrestricted net assets are those currently available for use in the operations of the Organization under the direction of the board of directors including resources invested in property and equipment.

Temporarily restricted assets are created by donor imposed restrictions stipulating that certain resources be maintained until the Organization takes actions pursuant to those restrictions.

Permanently restricted net assets are created by donor imposed restrictions stipulating certain resources be maintained permanently. The Organization has no permanently restricted net assets.

Contributed Services

The Center has implemented SFAS No. 116 "Accounting for contributions Received and Contributions Made," whereby contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restriction.

All contributions and grants are considered to be available for unrestricted use unless the donor specifically restricts the use.

THE YOUTH AND FAMILY CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

Fixed Assets

Fixed Assets purchased during the year are recorded at cost. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as Unrestricted Support. Property and equipment are depreciated using the straight-line method over the estimated useful life as shown below for each Fixed Asset type:

<u>Description</u>	<u>Useful Lives</u>
Furniture and Office Equipment	3-10
Vehicles	10
Maintenance and other equipment	3-10
Building Improvements	31
Building	31

Marketable Securities

All marketable debt securities are classified as “available for sale” and are carried in the financial statements at fair value determined by quoted market price.

NOTE 2 - Accounts Receivable and Allowance for Doubtful Accounts

Contributions and grants are recognized when the grantor or donor make a promise to give to the Center that is, in substance, unconditional. The organization considers grants and accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is deemed necessary. If the amounts become uncollectible, they will be charged to operations when that determination is made.

NOTE 3 – Marketable Securities

All marketable debt securities are classified as “available for sale” and are carried in the financial statements at fair value determined by quoted market price.

THE YOUTH AND FAMILY CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

Note 4– Fixed Assets

Fixed assets consist of the following:

Equipment	\$ 204,277
Vehicles	77,653
Building & Land	<u>383,654</u>
	665,584
Accumulated Depreciation	<u>(524,901)</u>
Property and equipment, net	\$ 140,683

Depreciation charged against revenues was \$ 34,953 for the year ended December 31, 2010.

THE YOUTH AND FAMILY CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

Note 5 – Disposition of Assets

The organization owned a campground that was sold during the fiscal year. The Campground was sold for \$299,000. This asset had a cost basis of \$287,589 and accumulated depreciation of \$190,305 at the time of disposition. Closing settlement costs related to the sale were \$21,282.

Note 6 – Federal Grants and Contracts

During the year ended December 31, 2010, the center received \$22,841.96 in Community Development Block Grant funds from the City of St. Louis for after school care and training. Income and expenditures related to this grant of \$24,409.32 were recognized during the year.

Note 7 – Youth Opportunity Program

Effective April 1, 2007, the Center was approved to administer a “Youth Opportunity Program” (YOP) from the Missouri Department of Economic Development totaling \$160,000. During the year ended December 31, 2010, the Center recognized revenue and expenses as follows:

Revenues – Restricted Contributions	\$ 2,500
Program Expenses	
Salary and wages	\$ 7,087
Payroll Taxes	529
Professional fees	3,550
Supplies	520
Occupancy	<u>150</u>
	\$ 11,836

REPORT ON COMPLIANCE AND ON INTERNAL CONTROLS OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
The Youth and Family Center

We have audited the financial statements of The Youth and Family Center for the year ended December 31, 2010, and have issued our report thereon, dated June 30, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United State of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the organization's financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of The Youth and Family Center in a separate letter dated June 1, 2010

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the organization's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration over the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving internal control over financial reporting, which we have reported to management of the organization in a separate letter dated June 30, 2011.

This report is intended solely for the information and use of the board of directors, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

C. T. Thomas & Co. LLC

St. Louis, Missouri
June 30, 2011