



**YOUTH FOR CHRIST
INTERNATIONAL MINISTRIES**

Consolidated Financial Statements
With Independent Auditors' Report

December 31, 2021 and 2020

YOUTH FOR CHRIST INTERNATIONAL MINISTRIES

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Youth for Christ International Ministries
Englewood, Colorado

Opinion

We have audited the accompanying consolidated financial statements of Youth for Christ International Ministries and Youth for Christ International, which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Youth for Christ International Ministries and Youth for Christ International as of December 31, 2021 and 2020, and the changes in their net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Youth for Christ International Ministries and Youth for Christ International, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Board of Trustees
Youth for Christ International Ministries
Englewood, Colorado

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our 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 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 consolidated financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the consolidated 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 Youth for Christ International Ministries and Youth for Christ International'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Youth for Christ International Ministries and Youth for Christ International's ability to continue as a going concern for a reasonable period of time.

We are 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 we identified during the audits.

Capin Crouse LLP

Centennial, Colorado
May 17, 2022

YOUTH FOR CHRIST INTERNATIONAL MINISTRIES

Consolidated Statements of Financial Position

	December 31,	
	2021	2020
ASSETS:		
Cash and cash equivalents	\$ 8,237,647	\$ 6,387,916
Investments	786,250	512,939
Accounts receivable and other assets	15,555	15,000
Note receivable	-	149,342
Property and equipment—net	316,807	294,584
Total Assets	\$ 9,356,259	\$ 7,359,781
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable	\$ 51,032	\$ 16,696
Accrued expenses and other	169,669	39,476
Total liabilities	220,701	56,172
Net assets:		
Without donor restrictions	1,700,042	1,431,260
With donor restrictions	7,435,516	5,872,349
Total net assets	9,135,558	7,303,609
Total Liabilities and Net Assets	\$ 9,356,259	\$ 7,359,781

See notes to consolidated financial statements

YOUTH FOR CHRIST INTERNATIONAL MINISTRIES

Consolidated Statements of Activities

	Year Ended December 31,					
	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions	\$ 2,103,705	\$ 10,871,886	\$ 12,975,591	\$ 2,977,845	\$ 10,341,768	\$ 13,319,613
Investment and other income	43,920	-	43,920	67,546	-	67,546
Total Support and Revenue	2,147,625	10,871,886	13,019,511	3,045,391	10,341,768	13,387,159
NET ASSETS RELEASED FROM:						
Purpose restrictions	8,505,938	(8,505,938)	-	7,117,103	(7,117,103)	-
Administrative assessments	802,781	(802,781)	-	775,447	(775,447)	-
	9,308,719	(9,308,719)	-	7,892,550	(7,892,550)	-
EXPENSES:						
Program services	9,607,883	-	9,607,883	9,241,113	-	9,241,113
Supporting activities:						
General and administrative	1,005,241	-	1,005,241	878,602	-	878,602
Fundraising	574,438	-	574,438	540,476	-	540,476
	1,579,679	-	1,579,679	1,419,078	-	1,419,078
Total Expenses	11,187,562	-	11,187,562	10,660,191	-	10,660,191
Change in Net Assets	268,782	1,563,167	1,831,949	277,750	2,449,218	2,726,968
Net Assets, Beginning of Year	1,431,260	5,872,349	7,303,609	1,153,510	3,423,131	4,576,641
Net Assets, End of Year	\$ 1,700,042	\$ 7,435,516	\$ 9,135,558	\$ 1,431,260	\$ 5,872,349	\$ 7,303,609

See notes to consolidated financial statements

YOUTH FOR CHRIST INTERNATIONAL MINISTRIES

Consolidated Statements of Functional Expenses

	Year Ended December 31, 2021			
	Program Services	Supporting Activities:		Total
		General and Administrative	Fundraising	
Grants to international affiliates	\$ 5,503,394	\$ -	\$ -	\$ 5,503,394
Salaries and benefits	3,410,350	636,599	500,185	4,547,134
Office and professional services	322,415	298,046	47,780	668,241
Travel and events	292,304	-	-	292,304
Facilities and equipment	62,557	55,606	20,852	139,015
Depreciation	16,863	14,990	5,621	37,474
	\$ 9,607,883	\$ 1,005,241	\$ 574,438	\$ 11,187,562

	Year Ended December 31, 2020			
	Program Services	Supporting Activities:		Total
		General and Administrative	Fundraising	
Grants to international affiliates	\$ 5,391,132	\$ -	\$ -	\$ 5,391,132
Salaries and benefits	3,280,284	561,101	474,778	4,316,163
Office and professional services	223,476	255,250	42,354	521,080
Travel and events	276,189	-	-	276,189
Facilities and equipment	56,795	50,485	18,932	126,212
Depreciation	13,237	11,766	4,412	29,415
	\$ 9,241,113	\$ 878,602	\$ 540,476	\$ 10,660,191

See notes to consolidated financial statements

YOUTH FOR CHRIST INTERNATIONAL MINISTRIES

Consolidated Statements of Cash Flows

	Year Ended December 31,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 1,831,949	\$ 2,726,968
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Recognition of Paycheck Protection Program loan	-	(425,000)
Depreciation	37,474	29,415
Net realized and unrealized gains on investments	(23,311)	(12,939)
Change in operating assets and liabilities:		
Accounts receivable and other assets	(555)	(6,490)
Accounts payable	34,336	(8,098)
Accrued expenses and other	130,193	(6,738)
Net Cash Provided by Operating Activities	2,010,086	2,297,118
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(250,000)	(500,000)
Purchase of property and equipment	(59,697)	(33,740)
Collections on note receivable	149,342	16,593
Net Cash Used by Investing Activities	(160,355)	(517,147)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Paycheck Protection Program loan	-	425,000
Net Cash Provided by Financing Activities	-	425,000
Change in Cash and Cash Equivalents	1,849,731	2,204,971
Cash and Cash Equivalents, Beginning of Year	6,387,916	4,182,945
Cash and Cash Equivalents, End of Year	\$ 8,237,647	\$ 6,387,916
NON-CASH TRANSACTION:		
Recognition of Paycheck Protection Program loan	\$ -	\$ 425,000

See notes to consolidated financial statements

YOUTH FOR CHRIST INTERNATIONAL MINISTRIES

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

1. NATURE OF ORGANIZATION:

Youth for Christ International Ministries is a not-for-profit corporation working with young people through its chartered national affiliates around the world. The vision of the organization is to see that every young person, in every people group, in every nation has an opportunity to make an informed decision to be a follower of Jesus Christ and become part of a local church. Youth for Christ International, an organization incorporated in Switzerland, was created to further this mission. Youth for Christ International had no financial activity for the years ended December 31, 2021 and 2020. Collectively, these two organizations are referred to as YFCI.

The chartered national affiliates are independent organizations that support the mission of YFCI. Each national affiliate maintains an independent board of directors and is not under the financial control of YFCI. Accordingly, the national affiliates are not consolidated in these financial statements.

The national affiliates are organized by geographical region into area offices, which include Africa, Asia Pacific, Americas, and Europe, Middle East, and North Africa. The area offices report to the YFCI board of trustees and are not under the financial control of YFCI. Therefore, the financial activity between YFCI and the area offices is reported in these consolidated financial statements as related party transactions. Also, YFCI employs approximately 80 missionaries that serve Youth for Christ programs around the world.

Youth for Christ International Ministries (YFCI) is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and comparable state law(s). However, YFCI is subject to federal income tax on any unrelated business taxable income. In addition, YFCI is not classified as a private foundation within the meaning of Section 509(a) of the IRC. YFCI's primary source of support and revenue is from contributions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

YFCI maintains its accounts and prepares its consolidated financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The significant accounting policies followed are described below to enhance the usefulness of the consolidated financial statements to the reader.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of cash held in checking and money market accounts. As of December 31, 2021 and 2020, the cash accounts on deposit exceeded federally insured limits by approximately \$6,889,000 and \$5,254,000, respectively. The financial institution where YFCI holds a majority of their funds also has a sweep feature that provides additional protection. YFCI has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

YOUTH FOR CHRIST INTERNATIONAL MINISTRIES

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments consist of pooled investments held by Youth for Christ Foundation (YFCF) and are reported at fair value. Donated securities are recorded at fair value on the date of the gift and are carried in accordance with the above policy.

YFCI uses appropriate valuation techniques to determine fair value based on inputs available. When available, YFCI measures fair value using Level 1 inputs because they generally provide the most reliable evidence for fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available. Pooled investments were valued using Level 2 inputs as of December 31, 2021 and 2020. The underlying investments are determined based on quoted market prices, however, YFCI's interest represents an interest in pooled funds held by another organization and as such the funds are classified as Level 2.

PROPERTY AND EQUIPMENT

Property and equipment is stated at cost, or if donated, at the estimated fair market value at the date of donation. Absent any donor stipulations, these restrictions expire when the asset is acquired or placed in service, and a reclassification is made from net assets with donor restrictions to net assets without donor restrictions at that time. Depreciation and amortization is recorded using the straight-line method over estimated useful lives ranging between five and forty years. Property and equipment purchases exceeding \$2,500 are capitalized.

NET ASSETS

The net assets of YFCI are reported according to class as follows:

Net assets without donor restrictions are those resources currently available for YFCI's purposes under the direction of the board of trustees.

Net assets with donor restrictions are those resources contributed with donor stipulations for specific purposes and programs.

SUPPORT AND REVENUE

Contributions are recorded when made, which may be when cash or other assets are received or unconditionally promised. Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated amounts. All contributions are considered available for unrestricted use unless specifically restricted by the donor. Those contributions postmarked by the end of the fiscal year are recognized as contributions and cash in that fiscal year rather than promises to give.

YOUTH FOR CHRIST INTERNATIONAL MINISTRIES

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT AND REVENUE, continued

YFCI received a Paycheck Protection Program loan during the year ended December 31, 2020 for \$425,000 that was eligible for forgiveness based on YFCI incurring various qualifying expenses. Because YFCI had applied and received full forgiveness of the loan as of December 31, 2020, the full amount was recorded as contributions with donor restrictions on the consolidated statements of activities.

Investment and other income is recognized when earned.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing various program services and supporting activities have been summarized on a functional basis in the consolidated statements of activities and additional support is provided in the consolidated statements of functional expenses. Expenses that include occupancy are allocated based on usage of property. Costs of other categories were allocated on estimates of time and effort. Program services include activities such as mission support, youth programs, and global evangelism.

3. LIQUIDITY AND FUNDS AVAILABLE:

The following table reflects YFCI's financial assets reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year.

	December 31,	
	2021	2020
Financial assets:		
Cash and cash equivalents	\$ 8,237,647	\$ 6,387,916
Investments	786,250	512,939
Accounts receivable	15,555	15,000
Note receivable	-	149,342
Financial assets, at year-end	<u>9,039,452</u>	<u>7,065,197</u>
Less those unavailable for general expenditure within one year due to:		
Note receivable collectible beyond one year	-	(132,748)
Net assets with donor restrictions not expected to be used within one year	<u>(1,482,370)</u>	<u>(1,127,578)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 7,557,082</u>	<u>\$ 5,804,871</u>

YFCI has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. YFCI has a reserve fund that is set aside to cover short-term cash fluctuations.

YOUTH FOR CHRIST INTERNATIONAL MINISTRIES

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

4. NOTE RECEIVABLE:

During the year ended December 31, 2019, YFCI entered into a note receivable agreement with Youth For Christ/USA (YFC/USA), a separate legal entity that shares property with YFCI. The note receivable was secured by percentage of property ownership. The receivable was interest free with monthly principal payments of \$1,383. During the year ended December 31, 2021, the balance has been fully paid to YFCI. Imputed interest has not been recorded due to immateriality.

5. PROPERTY AND EQUIPMENT–NET:

Property and equipment–net consist of:

	December 31,	
	2021	2020
Land	\$ 24,360	\$ 24,360
Building and improvements	338,523	338,523
Equipment and furnishings	64,096	64,096
Software	152,555	140,555
	579,534	567,534
Less accumulated depreciation and amortization	(310,424)	(272,950)
	269,110	294,584
Projects in process	47,697	-
	\$ 316,807	\$ 294,584

6. RELATED PARTY TRANSACTIONS:

YFCI makes disbursements to the area offices. These disbursements include contributions received by YFCI and restricted for specific missionaries or area offices as well as disbursements for general grant support. In total, YFCI disbursed the following amounts to the area offices:

	Year Ended December 31,	
	2021	2020
YFCI–Europe, Middle East, and North Africa Area Office	\$ 143,429	\$ 79,336
YFCI–Africa Area Office	98,811	85,750
YFCI–Asia Pacific Area Office	61,559	34,370
YFCI–Americas Area Office	29,720	42,191
	\$ 333,519	\$ 241,647

YOUTH FOR CHRIST INTERNATIONAL MINISTRIES

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

6. RELATED PARTY TRANSACTIONS, continued:

Separate from the area offices, three of the twelve board members of YFCI are staff members of the national affiliates and are selected by YFCI areas to represent the interests of all area offices. During the years ended December 31, 2021 and 2020, \$682,390 and \$547,050 of donor contributions was distributed to these board members' countries, respectively.

YFCI uses softwares, in which the companies are owned by the chief executive officer of YFCI. Total payments made to the organizations for software usage for the years ended December 31, 2021 and 2020, were \$27,672 and \$28,690, respectively.

YFCI holds investments with YFCF, which is an affiliate of YFCI in which a member of YFCI management serves on the board of YFCF. As of December 31, 2021 and 2020, YFCI had \$786,250 and \$512,939, of investments held by YFCF, respectively.

7. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consist of:

	December 31,	
	2021	2020
International program ministries	\$ 5,335,741	\$ 3,857,250
Missionaries and missionary projects	2,099,775	2,015,099
	<u>\$ 7,435,516</u>	<u>\$ 5,872,349</u>

8. RETIREMENT PLAN:

During the years ended December 31, 2021 and 2020, YFCI participated in the 403(b) plan offered by YFC/USA. YFCI provides a dollar for dollar match up to 3% of eligible employees' compensation. Total employer contributions for the years ended, December 31, 2021 and 2020 were \$86,179 and \$77,791, respectively.

9. CONCENTRATION:

During the year ended December 31, 2020, there was one donor who contributed a number of one-time gifts for approximately \$2,192,000 to YFCI, which makes up approximately 16% of total support and revenue on the consolidated statements of activities. There was no such concentration for the year ended December 31, 2021.

YOUTH FOR CHRIST INTERNATIONAL MINISTRIES

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

10. RISKS AND UNCERTAINTIES:

In March 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States. COVID-19 has caused a severe negative impact on the world economy and has contributed to significant declines and volatility in financial markets. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of YFCI for future periods. Management is carefully monitoring the situation.

11. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through May 17, 2022, which is the date the consolidated financial statements were available to be issued.