

YOUTH WITH A MISSION/GLEANINGS FOR THE HUNGRY

**FINANCIAL STATEMENTS
WITH INDEPENDENT ACCOUNTANT'S REPORT**

DECEMBER 31, 2019 AND 2018

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Youth With a Mission/Gleanings for the Hungry
Dinuba, California

We have reviewed the accompanying financial statements of Youth With a Mission/Gleanings for the Hungry (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Pine, Pecorelli & Aguiar, Inc

Visalia, California
October 27, 2020

**YOUTH WITH A MISSION/GLEANINGS FOR THE HUNGRY
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018**

ASSETS	<u>2019</u>	<u>2018</u>
CURRENT ASSETS		
Cash	\$ 207,778	\$ 232,251
Investments	-	82,392
Inventory - Food and Supplies	1,490,358	1,357,328
Inventory - Gift Shop	<u>13,910</u>	<u>5,977</u>
Total Current Assets	1,712,046	1,677,948
PROPERTY AND EQUIPMENT, NET	<u>2,429,208</u>	<u>2,492,386</u>
TOTAL ASSETS	<u><u>\$ 4,141,254</u></u>	<u><u>\$ 4,170,334</u></u>
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ <u>26,605</u>	\$ <u>33,720</u>
TOTAL LIABILITIES	<u>26,605</u>	<u>33,720</u>
NET ASSETS		
With Donor Restrictions	62,596	73,505
Without Donor Restrictions		
Undesignated	<u>4,052,053</u>	<u>4,063,109</u>
TOTAL NET ASSETS	<u>4,114,649</u>	<u>4,136,614</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 4,141,254</u></u>	<u><u>\$ 4,170,334</u></u>

The accompanying notes are an integral part of these financial statements.

**YOUTH WITH A MISSION/GLEANINGS FOR THE HUNGRY
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019		2018	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
SUPPORT				
Contributions - General	\$ 638,304	\$ 100,169	\$ 738,473	\$ 441,717
Mission Contributions	-	222,352	222,352	244,349
Donated Food and Supplies	2,768,386	-	2,768,386	-
Donated Stock	-	-	146,410	-
Total Support	3,406,690	322,521	3,729,211	686,066
REVENUE				
Staff, Student and Group Fees	101,008	-	101,008	-
Gift Shop Sales, Net	11,156	-	11,156	-
Interest Income	38	-	38	-
Loss on Asset Disposal	(3,344)	-	(3,344)	-
Realized Gain on Investments	17,850	-	17,850	-
Unrealized Loss on Investments	-	-	(30,151)	-
Other Income	35,626	-	35,626	-
TOTAL REVENUE	162,334	-	162,334	-
TOTAL SUPPORT AND REVENUE	3,569,024	322,521	3,891,545	686,066
NET ASSETS RELEASED FROM RESTRICTIONS	333,430	(333,430)	-	(690,417)
TOTAL SUPPORT, REVENUE, AND RECLASSIFICATIONS	3,902,454	(10,909)	3,891,545	(4,351)
			5,837,598	5,833,247

The accompanying notes are an integral part of these financial statements. -4-

**YOUTH WITH A MISSION/GLEANINGS FOR THE HUNGRY
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019		2018	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
EXPENSES				
Program Services	\$ 3,629,518	\$ -	\$ 5,076,167	\$ -
Supporting Services				
Management and General	224,943	-	193,683	-
Fundraising	59,049	-	51,419	-
	3,913,510	-	5,321,269	-
TOTAL EXPENSES				
	(11,056)	(10,909)	516,329	(4,351)
CHANGE IN NET ASSETS				
NET ASSETS, Beginning of the Year	4,063,109	73,505	3,586,989	37,647
RECLASSIFICATION OF PRIOR YEAR NET ASSET BALANCES				
	-	-	(40,209)	40,209
NET ASSETS, End of the Year	\$ 4,052,053	\$ 62,596	\$ 4,063,109	\$ 73,505
				\$ 4,136,614

The accompanying notes are an integral part of these financial statements.

**YOUTH WITH A MISSION/GLEANINGS FOR THE HUNGRY
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019			2018			
	Ministry Services	Support Services Management and General	Support Services Fundraising	Total	Support Services Management and General	Support Services Fundraising	Total
Automotive	\$ 36,563	\$ 16,130	\$ 1,075	\$ 53,768	\$ 14,606	\$ 973	\$ 48,689
Bank Charges	7,254	3,626	1,209	12,089	3,002	1,001	10,009
Contributions and Mission Support	300,456	6,260	6,260	312,976	5,863	5,863	293,146
Food Donations	2,634,169	-	-	2,634,169	0	-	3,861,379
Depreciation	74,734	32,029	-	106,763	27,382	-	91,274
Dues and Subscriptions	32	8	-	40	8	-	40
Food and Supplies	82,574	23,593	11,796	117,963	20,078	10,039	100,389
Housing Supplies	33,094	-	-	33,094	0	-	326,109
Insurance	24,897	6,384	638	31,919	5,414	541	27,068
Legal and Professional	-	24,700	-	24,700	18,000	-	18,000
Maintenance and Repairs	45,695	10,281	1,142	57,118	11,363	1,262	63,127
Office Supplies	15,989	18,149	9,074	43,212	19,847	9,922	47,254
Outreach and Discipleship Training	83,719	-	-	83,719	0	-	111,036
Plant Supplies	227,171	60,579	15,145	302,895	46,851	11,713	234,255
Promotion	1,759	1,173	8,798	11,730	798	5,976	7,967
Taxes and Licenses	10,359	1,152	-	11,511	1,151	-	11,507
Telephone	8,120	1,874	2,498	12,492	1,686	2,248	11,239
Travel	5,203	2,601	867	8,671	4,312	1,437	14,373
Utilities	37,730	16,404	547	54,681	13,322	444	44,408
TOTAL EXPENSES	\$ 3,629,518	\$ 224,943	\$ 59,049	\$ 3,913,510	\$ 193,683	\$ 51,419	\$ 5,321,269

The accompanying notes are an integral part of these financial statements.

**YOUTH WITH A MISSION/GLEANINGS FOR THE HUNGRY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ (21,965)	\$ 511,978
Adjustments to Reconcile Change in Net Assets to Net Cash		
Flows from Operating Activities:		
Depreciation	106,763	91,274
Loss on Asset Disposal	3,344	-
Realized Gain on Investments	(17,850)	(29,943)
Unrealized Loss on Investments	-	30,151
Increase in Donated Inventory	(133,030)	(410,293)
(Increase) Decrease in Gift Shop Inventory	(7,933)	1,202
Increase (Decrease) in Accounts Payable	<u>(7,115)</u>	<u>16,131</u>
Net Cash Flows Provided (Used) by Operating Activities	<u>(77,786)</u>	<u>210,500</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of Property and Equipment	(46,929)	(166,265)
Acquisition of Investments	-	(145,810)
Proceeds from Sale of Investments	<u>100,242</u>	<u>63,210</u>
Net Cash Provided (Used) by Investing Activities	<u>53,313</u>	<u>(248,865)</u>
Net Decrease in Cash	(24,473)	(38,365)
Cash - Beginning of Period	<u>232,251</u>	<u>270,616</u>
CASH - END OF PERIOD	<u>\$ 207,778</u>	<u>\$ 232,251</u>
SUPPLEMENTARY INFORMATION:		
NONCASH INVESTING ACTIVITY:		
Donated Property and Equipment	<u>\$ -</u>	<u>\$ 11,000</u>

The accompanying notes are an integral part of these financial statements.

YOUTH WITH A MISSION/GLEANINGS FOR THE HUNGRY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

1. Summary of Significant Accounting Policies

Nature of Activities

Youth With a Mission/Gleanings for the Hungry (the Organization) is a religious, non-profit Organization that was incorporated under the laws of the State of California on January 7, 1987.

The Organization's vision is to feed the hungry of the world, both physically and spiritually. With the help of thousands of volunteers, the Organization is able to receive, process and ship dried foods to needy and disaster areas of the world.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial Statement Presentation

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Cash and Cash Equivalents

Cash and cash equivalents that have an original maturity of three months or less are considered cash equivalents. The Organization maintains its cash in bank deposit accounts at high credit quality financial institutions. The balances, at times, may exceed federally insured limits.

Investments

Investments in marketable equity securities with readily determinable fair values are stated at fair value based on quoted prices in active markets (all Level 1 measurements). Real estate investments and equity securities without readily determinable fair values are stated at cost.

Fair Value Measurements

Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 820, *Fair Value Measurements and Disclosures*, established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

YOUTH WITH A MISSION/GLEANINGS FOR THE HUNGRY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

1. Summary of Significant Accounting Policies (Continued)

Fair Value Measurements (Continued)

The three levels of the fair value hierarchy under FASB ASC 820 are described below as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Property and Equipment

Equipment is depreciated using the straight-line method over the estimated useful life. It is the Organization's practice to capitalize property and equipment over \$500. Lesser amounts are expensed. Purchased equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose.

Depreciation expense for the years ended December 31, 2019 and 2018 was \$106,763 and \$91,274, respectively. When property or equipment is sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is recognized in the year of sale or disposition.

Income Taxes

The Organization received an exemption from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d. Accordingly, these statements do not reflect income taxes on earnings.

Use of Estimates

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

YOUTH WITH A MISSION/GLEANINGS FOR THE HUNGRY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

1. Summary of Significant Accounting Policies (Continued)

Contributions

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions, if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions.

Inventory - Donated

The Organization's donated inventory consists of food and supplies. The Organization's practice is to present the donated food and supplies inventory at sixty-six percent of their fair value.

Inventory - Gift Shop

Gift shop inventory consists of items for sale through the Organization gift shop. They are stated at the lower of cost (first-in, first-out) or net realizable value.

In-Kind Donations

In-kind donations are reflected at their fair value at date of donation. In-kind donations of food are reflected at sixty-six percent of their fair value at date of donation. All in-kind donations are reported as unrestricted support unless explicit donor stipulations specify how donated assets must be used. The Organization recognizes the fair value of contributed services received if such services a) create or enhance nonfinancial assets or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed.

Functional Expenses

The financial statements of Youth With a Mission/Gleanings for the Hungry report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation and occupancy expenses, which are allocated on a square footage basis.

Recent Accounting Pronouncement Adopted

During the year ended December 31, 2019, the Organization adopted the provisions of Accounting Standards Update (ASU) No. 2018-08, *Not-for-Profit Entities (Topic 958) - Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. This update clarifies and improves the scope and the accounting guidance for contributions received and contributions made. The amendments in this Update should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. There was no effect for the years ending December 31, 2019 or 2018.

**YOUTH WITH A MISSION/GLEANINGS FOR THE HUNGRY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

1. Summary of Significant Accounting Policies (Continued)

Management's Review

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 27, 2020, and the date the financial statements were available to be issued.

2. Investments

The following is a summary of all Level 1 investments, at December 31,:

	2019	2018
Equities	\$ -	\$ 82,392

3. Inventory

Inventory consists of donated food and supplies and items available for sale in the gift store. The donated inventory is not available for sale and is valued at sixty-six percent of fair market value. The value of donated inventory is determined by a year end count of units on hand multiplied by sixty-six percent of the fair market (wholesale) price per unit.

The gift store inventory is stated at the lower of cost or net realizable value (first-in, first-out). Inventory consisted of the following:

	2019	2018
Donated Food	\$ 1,467,748	\$ 1,266,295
Donated Supplies	22,610	91,033
Donated Inventory Total	\$ 1,490,358	\$ 1,357,328
Gift Shop Inventory	\$ 13,910	\$ 5,977

**YOUTH WITH A MISSION/GLEANINGS FOR THE HUNGRY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

4. Property and Equipment

Property and equipment consisted of the following as of December 31, :

	Balance 12/31/18	Additions	Deletions	Balance 12/31/19
Land	\$ 211,750	\$ -	\$ -	\$ 211,750
Buildings	1,108,398	-	-	1,108,398
Construction In Progress	51,105	-	-	51,105
Property Improvements	2,425,124	-	-	2,425,124
Furniture and Fixtures	85,825	-	-	85,825
Equipment	473,101	45,849	6,850	512,100
Computers	18,156	1,080	-	19,236
Vehicles	288,268	-	33,881	254,387
	<u>4,661,727</u>	<u>\$ 46,929</u>	<u>\$ 40,731</u>	4,667,925
Accumulated Depreciation	<u>2,169,341</u>	<u>\$ 106,763</u>	<u>\$ 37,387</u>	<u>2,238,717</u>
Net Property and Equipment	<u>\$ 2,492,386</u>			<u>\$ 2,429,208</u>

5. Net Assets With Donor Restrictions

Youth With a Mission/Gleanings for the Hungry's net assets with donor restrictions are restricted for the following purposes:

	2019	2018
Subject to Expenditures For Specific Purposes:		
Austin Rivera - Cambodia	\$ -	\$ 325
Mission of Grace - Haiti	2,900	295
Children of Grace - SACH	50	50
God's Plan Orphanage	110	964
Sower's Kids	(810)	(1,265)
Uzbekistan	-	472
Mission Outreach - Haiti	9,158	22,650
Mission Outreach - Greece	4,413	548
Mission Outreach - Staff	6,064	6,250
Special Projects	31,281	33,786
Health & Wellness	9,430	9,430
	<u>\$ 62,596</u>	<u>\$ 73,505</u>

**YOUTH WITH A MISSION/GLEANINGS FOR THE HUNGRY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

6. Gift Shop Sales

Sales to the public include merchandise sales. Cost of sales to the public include costs of merchandise. Profit and Loss on sales to the public for the years ended December 31, 2019 and 2018, is as follows:

		2019		2018
Sales to the Public	\$	26,086	\$	20,520
Cost of Sales to the Public		(14,930)		(19,275)
	\$	11,156	\$	1,245

7. Liquidity and Availability of Financial Assets

Youth With a Mission/Gleanings for the Hungry has \$207,778 and \$314,643 of financial assets available within one year of the year ended December 31, 2019 and 2018, respectively, to meet cash needs for general expenditures. For 2019 these amounts consisted of cash of \$207,778 and for 2018, they consisted of \$232,251 and investments of \$82,392. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure. The Organization is required to maintain financial assets to meet three months of general operations.

8. Subsequent Event

In March 2020, the World Health Organization declared the outbreak of novel coronavirus disease (COVID-19) as a pandemic. As a result, economic uncertainties have arisen which are likely to negatively impact contributions received by the Organization. Other financial impact could occur though such potential impact is unknown at this time.