

Orthodox Youth & Young Adult Ministries

Financial Statements

December 31, 2022

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Independent Auditor's Report

To the Board of Directors of
Orthodox Youth & Young Adult Ministries
Washington, DC

Opinion

We have audited the accompanying financial statements of Orthodox Youth & Young Adult Ministries (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, 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 our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Orthodox Youth & Young Adult Ministries as of December 31, 2022, 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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Orthodox Youth & Young Adult Ministries and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 Financial Statements

Management is responsible for the preparation and fair presentation of the 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 misstatement, 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 Orthodox Youth & Young Adult Ministries' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our 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 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 financial statements.

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

- 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 Orthodox Youth & Young Adult Ministries' 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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Orthodox Youth & Young Adult Ministries' 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 audit.

Kleiman & Company, P.C.

Palos Heights, Illinois
September 14, 2023

Orthodox Youth & Young Adult Ministries
Statement of Financial Position
December 31, 2022

Assets

Cash and cash equivalents	\$ 130,501
Fixed assets, net of accumulated depreciation of \$1,119	<u>7,584</u>
Total assets	<u>\$ 138,085</u>

Liabilities and Net Assets

Liabilities:	
Accounts payable	\$ 2,313
Accrued payroll and payroll taxes	<u>13,851</u>
Total liabilities	<u>16,164</u>
Net assets:	
Without donor restrictions	<u>121,921</u>
Total liabilities and net assets	<u>\$ 138,085</u>

The accompanying notes to financial statements are
an integral part of this statement.

Orthodox Youth & Young Adult Ministries
Statement of Activities
For the Year Ended December 31, 2022

Support and revenue:	
Contributions	<u>\$ 259,631</u>
Total support and revenue	<u>259,631</u>
Functional expenses:	
Program services	160,587
Supporting services:	
Management and general activities	95,461
Fundraising	<u>17,803</u>
Total functional expenses	<u>273,851</u>
Decrease in net assets	(14,220)
Net assets, without donor restrictions	
Beginning of year	<u>136,141</u>
End of year	<u>\$ 121,921</u>

The accompanying notes to financial statements are
an integral part of this statement.

Orthodox Youth & Young Adult Ministries
Statement of Functional Expenses
For the Year ended December 31, 2022

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Functional expenses:				
Salaries and wages	\$ 99,330	\$ 45,724	\$ 12,613	\$ 157,667
Payroll taxes and benefits	22,351	10,289	2,838	35,478
Insurance	-	7,747	-	7,747
Professional fees	-	2,518	-	2,518
Consulting services	13,000	7,000	-	20,000
Technology and support services	4,710	2,168	598	7,476
Telephone	1,985	913	252	3,150
Office expenses	255	2,143	369	2,767
Printing and postage	117	42	42	201
Video production	11,400	2,300	50	13,750
Conferences	2,655	1,223	337	4,215
Website	111	-	111	222
Travel	4,673	2,151	593	7,417
Board meetings	-	8,449	-	8,449
Depreciation	-	1,119	-	1,119
Miscellaneous	-	1,675	-	1,675
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total functional expenses	<u>\$ 160,587</u>	<u>\$ 95,461</u>	<u>\$ 17,803</u>	<u>\$ 273,851</u>

The accompanying notes to financial statements are
an integral part of this statement.

Orthodox Youth & Young Adult Ministries
Statement of Cash Flows
For the Year ended December 31, 2022

Cash flows from operating activities:	
Change in net assets	\$ (14,220)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	1,119
Increase in liabilities:	
Accounts payable	2,313
Accrued and withheld payroll taxes	<u>13,851</u>
Net cash provided by operating activities	<u>3,063</u>
Cash flows from investing activities:	
Purchases of fixed assets	<u>(6,178)</u>
Net cash used in investing activities	<u>(6,178)</u>
Net decrease in cash and cash equivalents	(3,115)
Cash and cash equivalents, beginning of year	<u>133,616</u>
Cash and cash equivalents, end of year	<u>\$ 130,501</u>

Supplemental cash flow information:

No amounts were paid for interest or taxes during the year ended December 31, 2022.

The accompanying notes to financial statements are
an integral part of this statement.

Orthodox Youth & Young Adult Ministries
Notes to the Financial Statements
December 31, 2022

Note 1. Summary of significant accounting policies

Description of Organization and nature of activities

Orthodox Youth & Young Adult Ministries (the “Organization”) is a District of Columbia not-for-profit corporation whose purpose is to equip and support clergy, parents, and ministry workers to meet the needs of young people by providing resources, trainings, retreats, and events, by offering support to parishes, jurisdictions and regions, and by evaluating the effectiveness of this work on an ongoing basis. The Organization’s main sources of funding are contributions from the general public and from members of its governing Board of Directors.

Basis of accounting and revenue recognition

The Organization prepares its financial statements in accordance with the accrual basis method of accounting. Under this method, income is recognized when earned, and expenses are recognized when the obligations are incurred.

Contributions are single-performance obligations and are recorded when received as without donor restrictions or with donor restrictions depending upon the existence or nature of any donor restrictions. Grants are recorded as income at such time as all grant conditions, if any, are fulfilled. The Organization reports gifts of cash and other assets as with donor restrictions if the gifts are received with donor stipulations that limit the use of the donated assets. All other revenues received are considered to be available for unrestricted use.

Net assets

Net assets are classified into one of two classes based upon the existence or absence of donor-imposed restrictions, as follows:

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor restrictions.

Net assets with donor restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. When a donor 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 revenue collected, expenses paid, and changes in net assets as net assets released from restrictions. Donor restricted contributions in which the restrictions are met in the same reporting period are reported as revenue without donor restrictions.

Orthodox Youth & Young Adult Ministries
Notes to the Financial Statements
December 31, 2022

Note 1. Summary of significant accounting policies (continued)

Use of 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 and disclosures. Actual results could differ from those estimates.

Cash and cash equivalents

The Organization considers all cash, money market accounts and highly liquid investments with a maturity of three months or less, at the date of purchase, to be cash and cash equivalents.

The Organization maintains its cash balances at various banking institutions, and these balances are insured by the Federal Deposit Insurance Corporation (FDIC). At December 31, 2022, there were no amounts on deposit in excess of FDIC insurance. The Organization has not experienced any losses in such accounts and management believes that the Organization is not exposed to any significant credit risk relating to cash and cash equivalents.

Fixed assets

Fixed assets, which consist of office equipment and computer equipment, and are stated at cost, less an allowance for depreciation. Donations of property and equipment are recorded as contributions at their estimated fair value at the donation date. It is the Organization's policy to capitalize fixed asset additions in excess of \$1,000. Lesser amounts are expensed. Depreciation of fixed assets is computed using the straight-line method based upon the estimated useful lives of the assets which are five years.

Income tax status

Orthodox Youth & Young Adult Ministries is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is, therefore, not subject to income tax under present income tax laws. In addition, there were no interest or penalties associated with income taxes recognized in the accompanying financial statements.

Functional allocation of expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and the supporting services benefited.

Orthodox Youth & Young Adult Ministries
Notes to the Financial Statements
December 31, 2022

Note 2. Subsequent events

Management has evaluated subsequent events through September 14, 2023, the date that these financial statements were available to be issued.

Note 3. Liquidity and availability

The Organization regularly monitors the availability of resources required to meet its operating needs and other commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures that do not contain donor restrictions to be general expenditures. The Organization plans to meet its operating needs through contributions and applying for grants from other not-for-profit organizations.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position include cash of \$130,501.

Note 4. Concentrations and related party transactions

For the year ended December 31, 2022, \$175,000, or approximately 67% of the Organization's support and revenue, was received from six Board members.

Note 5. 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.