



GRAND RAPIDS YOUTH FOR CHRIST, INC.
DBA **WEST MICHIGAN YOUTH
FOR CHRIST, INC.**

FINANCIAL STATEMENTS

With Independent Auditor's Report

June 30, 2019 and 2018

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INDEPENDENT AUDITOR'S REPORT

**Board of Directors
Grand Rapids Youth For Christ, Inc.
DBA West Michigan Youth For Christ, Inc.
Grand Rapids, Michigan**

I have audited the accompanying statements of financial position of Grand Rapids Youth For Christ, Inc. DBA West Michigan Youth For Christ, Inc. (a nonprofit organization), as of June 30, 2019 and 2018, the related statements of activities, functional expenses and cash flows for the years 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 of material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audits 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 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, I 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.


I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

OPINION

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Grand Rapids Youth For Christ, Inc. DBA West Michigan Youth For Christ, Inc. as of June 30, 2019 and 2018 and the changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

EMPHASIS OF MATTER

As discussed in Note 11 to the financial statements, the financial statements as of and for the year ended June 30, 2018 have been restated to correct misstatements. My opinion is not modified with respect to this matter.


Wyoming, Michigan
December 20, 2019

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GRAND RAPIDS YOUTH FOR CHRIST, INC.
DBA WEST MICHIGAN YOUTH FOR CHRIST, INC.

Statements of Financial Position

	June 30,	
	2019	2018
ASSETS		
Cash and cash equivalents - Note 11	\$ 101,700	\$ 47,083
Insurance claim receivable	11,974	-
Contribution receivable	146,241	192,687
Prepaid expenses	31,426	85,115
Investment - Note 11	-	13,952
	291,341	338,837
Property and equipment		
Leasehold improvements	35,665	35,665
Office furniture and equipment	23,904	26,804
Vehicles	43,630	63,250
Accumulated depreciation	(83,157)	(79,607)
	20,042	46,112
Total Assets	\$ 311,383	\$ 384,949
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable - Note 11	\$ 7,653	\$ 9,335
Accrued payroll and payroll taxes	76,336	43,470
Deferred revenue	4,323	23,246
	88,312	76,051
Net Assets		
Without donor restrictions		
Undesignated - Note 11	197,771	262,786
Net investment in property and equipment	20,042	46,112
	217,813	308,898
With donor restrictions	5,258	-
	223,071	308,898
Total Net Assets	223,071	308,898
Total Liabilities and Net Assets	\$ 311,383	\$ 384,949

See accompanying notes and independent auditor's report

GRAND RAPIDS YOUTH FOR CHRIST, INC.
DBA WEST MICHIGAN YOUTH FOR CHRIST, INC.

Statements of Activities

For the Years Ended June 30,

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions	\$ 1,190,533	\$ 85,980	\$ 1,276,513	\$ 1,494,230	\$ 14,635	\$ 1,508,865
In-kind contributions	15,150	-	15,150	13,691	-	13,691
Thrift store sales	38,576	-	38,576	60,328	-	60,328
Camp and activity fees, net of scholarships	35,905	-	35,905	33,161	-	33,161
Miscellaneous revenue	2,234	-	2,234	2,879	-	2,879
Gain on disposals of assets	3,145	-	3,145	-	-	-
Investment income	717	-	717	2,034	-	2,034
Total Support and Revenue	<u>1,286,260</u>	<u>85,980</u>	<u>1,372,240</u>	<u>1,606,323</u>	<u>14,635</u>	<u>1,620,958</u>
RECLASSIFICATIONS						
Net assets released for satisfaction of purpose restrictions	<u>80,722</u>	<u>(80,722)</u>	<u>-</u>	<u>14,635</u>	<u>(14,635)</u>	<u>-</u>
EXPENSES - Note 11						
Program services	1,058,079	-	1,058,079	1,109,032	-	1,109,032
Management and general	232,211	-	232,211	207,928	-	207,928
Fund-raising	167,777	-	167,777	222,165	-	222,165
Total Expenses	<u>1,458,067</u>	<u>-</u>	<u>1,458,067</u>	<u>1,539,125</u>	<u>-</u>	<u>1,539,125</u>
Change in Net Assets	<u>(91,085)</u>	<u>5,258</u>	<u>(85,827)</u>	<u>81,833</u>	<u>-</u>	<u>81,833</u>
Net Assets, Beginning of Year						
As originally reported	308,898	-	308,898	249,135	-	249,135
Corrections - Note 11	-	-	-	(22,070)	-	(22,070)
As corrected	<u>308,898</u>	<u>-</u>	<u>308,898</u>	<u>227,065</u>	<u>-</u>	<u>227,065</u>
Net Assets, End of Year	<u>\$ 217,813</u>	<u>\$ 5,258</u>	<u>\$ 223,071</u>	<u>\$ 308,898</u>	<u>\$ -</u>	<u>\$ 308,898</u>

See accompanying notes and independent auditor's report

GRAND RAPIDS YOUTH FOR CHRIST, INC.
DBA WEST MICHIGAN YOUTH FOR CHRIST, INC.

Statements of Functional Expenses

For the Years Ended June 30,

	2019				2018			
	Program Services	Management and General	Fund-Raising	Total	Program Services	Management and General	Fund-Raising	Total
Salaries and wages	\$ 614,855	\$ 141,006	\$ 100,888	\$ 856,749	\$ 647,671	\$ 119,389	\$ 124,158	\$ 891,218
Pension plan contributions	12,566	2,882	2,062	17,510	12,235	2,255	2,345	16,835
Other employee benefits	53,744	12,746	13,545	80,035	75,500	14,102	17,026	106,628
Payroll taxes	40,967	9,395	6,722	57,084	48,083	8,863	9,218	66,164
Professional services - accounting	-	7,599	-	7,599	-	7,350	-	7,350
Advertising and promotion	3,512	-	7,025	10,537	8,832	-	17,724	26,556
Office expenses	8,503	1,632	33,178	43,313	9,887	3,862	35,152	48,901
Information technology	4,936	-	8,454	13,390	785	-	8,553	9,338
Occupancy	57,107	15,228	16,337	88,672	54,263	14,469	25,288	94,020
Travel	19,037	3,712	2,159	24,908	17,416	2,425	6,748	26,589
Conferences, conventions and meetings	229	2,604	2,553	5,386	300	5,339	5,121	10,760
Depreciation and amortization	12,931	3,448	862	17,241	13,177	3,514	878	17,569
Insurance	492	19,189	33	19,714	513	21,046	34	21,593
Program expenses	194,282	-	950	195,232	204,442	-	2,710	207,152
Total Expenses	\$ 1,023,161	\$ 219,441	\$ 194,768	\$ 1,437,370	\$ 1,093,104	\$ 202,614	\$ 254,955	\$ 1,550,673

See accompanying notes and independent auditor's report

GRAND RAPIDS YOUTH FOR CHRIST, INC.
DBA WEST MICHIGAN YOUTH FOR CHRIST, INC.

Statements of Cash Flows

	For the Years Ended June 30,	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (85,827)	\$ 81,833
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Investment gains	(476)	(1,799)
Gain on disposals of assets	(3,145)	-
Depreciation	17,241	17,569
Change in:		
Accounts receivable	-	14,293
Insurance claim receivable	(11,974)	-
Contribution receivable	46,446	(192,687)
Prepaid expenses	53,689	(33,640)
Accounts payable	(1,682)	6,376
Accrued payroll and payroll taxes	32,866	(11,746)
Deferred revenue	(18,923)	4,230
	28,215	(115,571)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investment	14,428	-
Proceeds from disposal of property and equipment	11,974	-
	26,402	-
Net Cash Provided by Investing Activities	26,402	-
Change in Cash and Cash Equivalents	54,617	(115,571)
Cash and Cash Equivalents, Beginning of Year	47,083	162,654
Cash and Cash Equivalents, End of Year	\$ 101,700	\$ 47,083

See accompanying notes and independent auditor's report

GRAND RAPIDS YOUTH FOR CHRIST, INC.
DBA WEST MICHIGAN YOUTH FOR CHRIST, INC.

Notes to Financial Statements

June 30, 2019 and 2018

1. NATURE OF ORGANIZATION

Grand Rapids Youth For Christ, Inc. DBA West Michigan Youth For Christ, Inc. (WMYFC) reaches young people everywhere, working together with the local church and other like-minded partners to raise up lifelong followers of Jesus who lead by their godliness in lifestyle, devotion to prayer and the Word of God, passion for sharing the love of Christ and commitment to social involvement.

WMYFC was incorporated in January 1968 under the laws of the state of Michigan to operate as a charitable organization within the meaning of Section 501(c)(3) of the Internal Revenue Code (code). It is exempt from federal and state income taxes, and contributions by the public are deductible within the limitations prescribed by the code. WMYFC has been classified as a public organization that is not a private foundation under Section 509(a) of the code.

WMYFC's revenues consist primarily of contributions from the public.

2. SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared using the accrual basis of accounting. The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates. The more significant accounting policies are summarized below.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of bank checking, money market accounts, an investment cash fund. Balances in the bank accounts may at times exceed federally insured limits. WMYFC has not experienced any losses in these accounts and management believes it is not exposed to any significant credit risk.

CONTRIBUTION RECEIVABLE

Unconditional promises to give are recognized as income when made and reported at realizable value based upon estimated future cash flows. Unconditional promises to give expected to be collected within one year are reported at net realizable value because the present value of estimated cash flows approximates net realizable value. Unconditional promises to give expected to be collected in future years are reported at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk free interest rates applicable to the years in which the promises are expected to be received. This discount rate is based on yields of U.S. treasury bills corresponding to the timing of the contributions receivable. Amortization of the discount is included in contributions revenue in the statements of activities. Management believes the contribution receivable balance at June 30, 2019 is fully collectible; there is, therefore, no allowance for doubtful promises to give.

PREPAID EXPENSES

Prepaid expenses at June 30, 2019 and 2018 consist of payments for facilities rent and summer camp and for a trip, summer camp, banquet and other goods and services, respectively, which have been paid for prior to the end of the fiscal year and benefit the following fiscal year.

GRAND RAPIDS YOUTH FOR CHRIST, INC.
DBA WEST MICHIGAN YOUTH FOR CHRIST, INC.

Notes to Financial Statements

June 30, 2019 and 2018

2. SIGNIFICANT ACCOUNTING POLICIES, continued

INVESTMENT

The investment consisted of an equity mutual fund holding received as a contribution. All holdings are carried at fair value based on quoted prices in active markets where applicable and estimated market value when no ready market exists. For purposes of determining gross realized gains and losses, the cost of securities sold is based on specific identification. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities. Donated investments are reported at market value at the date of donation and thereafter carried in accordance with the above policies.

PROPERTY AND EQUIPMENT

Property and equipment is reported at cost, estimated cost or fair value. Expenditures for property and equipment in excess of \$1,000 and having estimated useful lives of three years or more are capitalized at cost when purchased. Donated items are reported at their estimated fair values as of the date the gifts are received. Depreciation is reported using the straight-line method over the estimated useful lives of the assets, which range from three to forty years. Depreciation expense was \$17,241 and \$17,569 for the years ended June 30, 2019 and 2018, respectively.

DEFERRED REVENUE

Deferred revenue consists of payments received for campers for events occurring subsequent to June 30.

NET ASSETS

The financial statements report amounts by class of net assets as follows:

NET ASSETS WITHOUT DONOR RESTRICTIONS are net assets available for use in general operations and not subject to donor or certain grantor-imposed restrictions.

NET ASSETS WITH DONOR RESTRICTIONS are net assets subject to donor or certain grantor-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. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled or both.

SUPPORT AND REVENUE

Contributions are recognized when cash, securities or other assets, an unconditional promise to give or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Contributions of assets other than cash and services are reported at their estimated fair value. WMYFC reports donations of property and equipment as contributions without donor restriction unless the donor has restricted the donated asset to a specific purpose. Property and equipment donated with restrictions regarding their use and contributions of cash to acquire property are reported as contributions with donor restrictions.

All other revenues are recorded when earned.

GRAND RAPIDS YOUTH FOR CHRIST, INC.
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Notes to Financial Statements

June 30, 2019 and 2018

2. SIGNIFICANT ACCOUNTING POLICIES, continued

GIFTS IN KIND

During the years ended June 30, 2019 and 2018, WMYFC received contributions of goods and services consisting of meals for club meetings having an estimated value of \$-0- and \$451, respectively, and discounted leased rental space having an estimated value of \$15,150 and \$13,240, respectively.

CONTRIBUTED SERVICES

During the year ended June 30, 2019, 135 individuals contributed a total of 6,500 hours of service having an estimated value of approximately \$117,000. During the year ended June 30, 2018, 113 individuals contributed a total of 12,428 hours of service having an estimated value of approximately \$223,700. The value of these services is not reflected in the financial statements because the services do not meet the definition of donated professional services under generally accepted accounting principles. Volunteers participate in various activities, including direct ministry to students and small groups, while others volunteer at the thrift store assisting customers and processing donated merchandise.

FUNCTIONAL ALLOCATION OF EXPENSES

Expenses are reported when incurred, that is, when the purchased goods or services have been received.

The costs of program, management and fund-raising 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 program, management and fund-raising activities benefitting from those expenditures.

Certain categories of expenses are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. At WMYFC the methods used to allocate costs among program and support functions vary depending upon the nature of the expense category. Compensation related expenses are allocated based on proportional estimates of paid time spent in each functional area of performance. Occupancy and depreciation costs are allocated to each functional area based on proportional estimates of facility and equipment usage. Other expenses are allocated based on the guidelines defining the nature of the program, management or fund-raising expenses and the associated estimates of time and effort.

ADVERTISING

WMYFC expenses advertising costs as they are incurred. Total advertising costs were \$495 and \$976 for the years ended June 30, 2019 and 2018, respectively.

CHANGE IN ACCOUNTING PRINCIPLE

On August 18, 2016, The Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources and the lack of consistency in the type of information provided about expenses and investment return. During the year ended June 30, 2019, WMYFC adopted ASU 2016-14 and adjusted the presentation in these comparative financial statements accordingly. The ASU has been applied retrospectively to all periods presented.

GRAND RAPIDS YOUTH FOR CHRIST, INC.
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Notes to Financial Statements

June 30, 2019 and 2018

2. SIGNIFICANT ACCOUNTING POLICIES, continued

LIQUIDITY AND AVAILABILITY

WMYFC has financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure as detailed below. The amounts shown below are net of financial assets required to meet donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date.

	June 30,	
	2019	2018
Cash and cash equivalents	\$ 101,700	\$ 47,083
Insurance claim receivable	11,974	-
Current portion of contribution receivable	50,000	50,000
Investment	-	13,952
Less: net assets with donor restrictions	(5,258)	-
	\$ 158,416	\$ 111,035

WMYFC maintains bank checking accounts and a money market account for liquidity management.

RECLASSIFICATIONS

Certain reclassifications, specifically changes in the functional allocation of expenses, have been made to the prior year's financial statements to conform to the current year presentation. These reclassifications had no effect on previously reported activities or net assets.

3. CONTRIBUTION RECEIVABLE

The contribution receivable at June 30, 2019 is reported at its realizable value, which approximates its net present value and consists of a promise to give from a foundation. See Note 2 for a description of the accounting policy for promises to give.

The contribution receivable at June 30, 2019 is expected to be collected as follows:

Less than one year	\$	50,000
One year to five years		100,000
Estimated future cash flows of contribution receivable		150,000
Less:		
Unamortized discount		(3,759)
Net present value of contribution receivable	\$	146,241

GRAND RAPIDS YOUTH FOR CHRIST, INC.
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Notes to Financial Statements

June 30, 2019 and 2018

4. INVESTMENT

The investment at June 30, 2018 consists of the following:

	Fair Value	Carrying Value	Unrealized Gain
Equity mutual fund	\$ 13,952	\$ 10,044	\$ 3,908

WMYFC accounts for investments at fair value, which is defined as the price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

Financial accounting standards have established a hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Under the standards, three levels of inputs that may be used to measure fair value:

Level 1 - In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that WMYFC has the ability to access.

Level 2 - Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. Level 2 inputs include quoted prices for similar assets in active markets and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 - Level 3 inputs are unobservable inputs including inputs that are available in situations where there is little, if any, market activity for the related asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. WMYFC's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

Investments are held and managed by Securities America and include allocations to a cash account and a mutual fund. Management has concluded that value of all holdings in the portfolio are determined using Level 1 measurement inputs.

Investment income for the years ended June 30, 2019 and 2018 consists of the following:

	June 30,	
	2019	2018
Dividends and interest	\$ 2	\$ 82
Realized gains	4,382	-
Unrealized (losses) gains	(3,908)	1,799
	476	1,881
Other bank interest	241	153
Total investment income	\$ 717	\$ 2,034

GRAND RAPIDS YOUTH FOR CHRIST, INC.
DBA WEST MICHIGAN YOUTH FOR CHRIST, INC.

Notes to Financial Statements

June 30, 2019 and 2018

5. NET ASSETS WITH DONOR RESTRICTIONS

Changes in net assets with donor restrictions are as follows:

	June 30, 2017	Contributions	Released From Restriction	June 30, 2018
Camp scholarships	\$ -	\$ 10,235	\$ 10,235	\$ -
Spring break trip	-	4,400	4,400	-
	\$ -	\$ 14,635	\$ 14,635	\$ -
	June 30, 2018	Contributions	Released From Restriction	June 30, 2019
Camp scholarships	\$ -	\$ 80,722	\$ 80,722	\$ -
Deaf Teen Quest scholarships	-	5,258	-	5,258
	\$ -	\$ 85,980	\$ 80,722	\$ 5,258

6. LINE OF CREDIT

In June 2019 WMYFC obtained a bank line of credit for \$100,000. The line is secured by all assets and matures June 2020. Amounts borrowed under this agreement bear interest at the bank's prime rate (which equates to 5.5 percent at June 30, 2019). Interest is payable monthly. WMYFC has not drawn from this line of credit during the year ended June 30, 2019.

7. RETIREMENT PLAN

WMYFC provides retirement benefits to its staff through a SIMPLE IRA defined contribution retirement plan, matching employee contributions on a dollar for dollar basis up to three percent of employee compensation. Contributions to the plan during the years ended June 30, 2019 and 2018 were \$27,330 and \$17,794, respectively. See also Note 9.

8. LEASES

WMYFC has an operating lease agreement for office space. The first of two parts of this agreement was initiated in 2016, terminates in December 2021 and requires monthly rental payments as follows:

Period	Monthly Rent
July 2016 - October 2016	\$ 1,495
November 2016 - December 2016	\$ 2,000
January 2017 - June 2017	\$ 2,800
July 2017 - December 2017	\$ 3,500
January 2018 - December 2018	\$ 3,675
January 2019 - December 2019	\$ 3,860
January 2020 - December 2020	\$ 4,050
January 2021 - December 2021	\$ 4,252

GRAND RAPIDS YOUTH FOR CHRIST, INC.
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Notes to Financial Statements

June 30, 2019 and 2018

8. LEASES, continued

The second part of this agreement, effective January 2017, is on a month-to-month basis, required monthly payments of \$125 through December 2017 and \$130 thereafter through December 2018 and requires monthly payments of \$135 thereafter.

As disclosed above under Gifts In Kind in Note 2, management considers payments made under this agreement to be below market and has therefore reported an in-kind contribution for the difference between the estimated fair value for the rented space and the amount paid.

WMYFC had an informal agreement to rent space in Zeeland, Michigan for its thrift store for \$1,210 per month. The store was closed on January 31, 2019. WMYFC also has an informal agreement to rent office space in Zeeland, Michigan for \$1,210 per month through December 2018 and \$858 per month thereafter.

Total payments made under these agreements for the years ended June 30, 2019 and 2018 were \$72,948 and \$89,417, respectively.

Future minimum annual payments due under long-term leases are as follows:

Year Ending June 30,	
2020	\$ 47,460
2021	49,812
2022	<u>25,512</u>
	<u>\$ 122,784</u>

9. CONCENTRATION

For the years ended June 30, 2019 and 2018, the top five donors provided 13 and 27 percent of total contributions, respectively.

10. DISCONTINUED OPERATIONS

WMYFC's thrift store was closed on January 31, 2019. Net store sales for the years ended June 30, 2019 and 2018 totaled \$38,776 and \$60,328, respectively, and direct store expenses totaled \$38,115 and \$72,953, respectively. The store operated out of leased facilities for which the agreement was terminated effective January 31, 2019. The closing of the store did not entail the disposal of any capitalized equipment.

GRAND RAPIDS YOUTH FOR CHRIST, INC.
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Notes to Financial Statements

June 30, 2019 and 2018

11. PRIOR YEAR CORRECTIONS

The financial statements as of and for the year ended June 30, 2018 have been retroactively restated to correct errors related to the reporting of cash and cash equivalents, accounts payable and accrued payroll and payroll taxes as follows:

	As Previously Reported	Corrections Pertaining to Year-Ended June 30,		As Corrected
		2017	2018	
Cash and cash equivalents	<u>\$ 46,038</u>			
Reclassify cash balance of investment portfolio as cash and cash equivalents			\$ 1,042	
Interest income			3	<u>\$ 47,083</u>
Investments	<u>\$ 14,994</u>			
Reclassify cash balance of investment portfolio as cash and cash equivalents			(1,042)	<u>\$ 13,952</u>
Accounts payable	<u>\$ (4,606)</u>			
Expenditures made during the year ended June 30, 2019 that should have been accrued at June 30, 2018			(4,729)	<u>\$ (9,335)</u>
Accrued payroll and payroll taxes	<u>\$ (25,676)</u>			
Accrued but unpaid Simple IRA employer contribution for year ended June 30, 2018			(17,794)	<u>\$ (43,470)</u>
Net assets, June 30, 2017				
As previously reported		249,135		
Expenditures made during the year ended June 30, 2018 that should have been accrued at June 30, 2017		(6,200)	6,200	
Accrued but unpaid Simple IRA employer contribution for year ended June 30, 2017		<u>(15,870)</u>	<u>15,870</u>	
As corrected		<u>\$ 227,065</u>		①

GRAND RAPIDS YOUTH FOR CHRIST, INC.
DBA WEST MICHIGAN YOUTH FOR CHRIST, INC.

Notes to Financial Statements

June 30, 2019 and 2018

11. PRIOR YEAR CORRECTIONS, continued

As Previously Reported	Corrections Pertaining to Year-Ended June 30,		As Corrected
	2017	2018	
Net effect of corrections		(450)	
Change in net assets, year ended June 30, 2018			
As previously reported		82,283	
As corrected		81,833	
Net assets, June 30, 2017, as corrected	①	227,065	
Net assets, June 30, 2018, as corrected		\$ 308,898	

12. SUBSEQUENT EVENTS

Management has evaluated for potential recognition or disclosure in these financial statements subsequent events and transactions occurring through December 20, 2019, the date these financial statements were available to be issued. No such significant events or transactions were identified.