

HUCKLEBERRY YOUTH PROGRAMS, INC.

FINANCIAL STATEMENTS

June 30, 2022

(With Summarized Comparative Totals for 2021)

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Huckleberry Youth Programs, Inc.
San Francisco, California

Opinion

We have audited the accompanying financial statements of Huckleberry Youth Programs, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 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 Huckleberry Youth Programs, Inc. (the Organization) as of June 30, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 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, including omissions, 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 the Organization'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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 audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule on page 19 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Report on Summarized Comparative Information

The financial statements of the Organization as of June 30, 2021, were audited by other auditors, whose report dated September 20, 2023, expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in cursive script that reads "Windes, Inc.".

Long Beach, California
January 10, 2024

HUCKLEBERRY YOUTH PROGRAMS, INC.

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

ASSETS

	June 30,	
	2022	2021
ASSETS		
Cash and cash equivalents	\$ 1,735,539	\$ 660,094
Government grants receivable	2,173,859	3,145,974
Contributions receivable	444,000	350,000
Prepaid expenses and other current assets	116,441	138,531
Deposits	30,232	30,032
Property and equipment, net	237,896	240,973
TOTAL ASSETS	\$ 4,737,967	\$ 4,565,604

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable	\$ 215,677	\$ 364,690
Accrued liabilities	484,467	497,185
	<u>700,144</u>	<u>861,875</u>
NET ASSETS		
Without donor restrictions	2,792,493	2,698,016
With donor restrictions	1,245,330	1,005,713
Total net assets	<u>4,037,823</u>	<u>3,703,729</u>
TOTAL LIABILITIES AND NET ASSETS	\$ 4,737,967	\$ 4,565,604

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

HUCKLEBERRY YOUTH PROGRAMS, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	Without Donor Restrictions	With Donor Restrictions	For the Year Ended June 30,	
			2022	2021
REVENUE AND SUPPORT:				
Government grants	\$ 5,073,854	\$ -	\$ 5,073,854	\$ 6,349,500
Contributions	949,058	1,444,450	2,393,508	2,205,739
Gross special events revenue	215,443	-	215,443	229,095
Other income	59,323	-	59,323	88,583
Net assets released from restrictions	1,204,833	(1,204,833)	-	-
Total revenue and support	<u>7,502,511</u>	<u>239,617</u>	<u>7,742,128</u>	<u>8,872,917</u>
EXPENSES:				
Program	5,871,393	-	5,871,393	6,258,130
Management and general	957,953	-	957,953	1,007,312
Fundraising	578,688	-	578,688	572,023
Total expenses	<u>7,408,034</u>	<u>-</u>	<u>7,408,034</u>	<u>7,837,465</u>
CHANGE IN NET ASSETS	94,477	239,617	334,094	1,035,452
NET ASSETS, BEGINNING OF YEAR	<u>2,698,016</u>	<u>1,005,713</u>	<u>3,703,729</u>	<u>2,668,277</u>
NET ASSETS, END OF YEAR	<u>\$ 2,792,493</u>	<u>\$ 1,245,330</u>	<u>\$ 4,037,823</u>	<u>\$ 3,703,729</u>

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

HUCKLEBERRY YOUTH PROGRAMS, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>	
				<u>2022</u>	<u>2021</u>
Personnel expenses					
Salaries	\$ 3,611,601	\$ 641,011	\$ 404,779	\$ 4,657,391	\$ 4,746,202
Taxes and benefits	<u>657,920</u>	<u>112,246</u>	<u>68,568</u>	<u>838,734</u>	<u>1,016,191</u>
Total personnel expenses	4,269,521	753,257	473,347	5,496,125	5,762,393
Professional services	56,497	114,099	7,661	178,257	291,603
Subcontracts	356,005	-	-	356,005	440,005
Occupancy and office expenses	901,381	76,594	96,568	1,074,543	1,054,163
Travel, meetings, and professional development	40,851	13,980	1,060	55,891	52,248
Direct client assistance	<u>247,138</u>	<u>23</u>	<u>52</u>	<u>247,213</u>	<u>237,053</u>
Total expenses	<u>\$ 5,871,393</u>	<u>\$ 957,953</u>	<u>\$ 578,688</u>	<u>\$ 7,408,034</u>	<u>\$ 7,837,465</u>

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

HUCKLEBERRY YOUTH PROGRAMS, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	June 30,	
	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 334,094	\$ 1,035,452
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	30,936	38,995
Changes in operating assets and liabilities:		
Government grants receivable	972,115	(554,054)
Contributions receivable	(94,000)	165,000
Prepaid expenses and other current assets	22,090	(39,334)
Deposits	(200)	-
Accounts payable	(149,013)	160,769
Accrued liabilities	(12,718)	57,320
Refundable advances	-	(958,390)
Net Cash Provided By (Used In) Operating Activities	<u>1,103,304</u>	<u>(94,242)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments of long term deposits	-	(1,539)
Purchases of property and equipment	<u>(27,859)</u>	<u>(27,688)</u>
Net Cash Provided By (Used In) Investing Activities	<u>(27,859)</u>	<u>(29,227)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,075,445	(123,469)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>660,094</u>	<u>783,563</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,735,539</u>	<u>\$ 660,094</u>

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

HUCKLEBERRY YOUTH PROGRAMS, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 1 – Nature of Operations

Huckleberry Youth Programs, Inc. (the "Organization") is a California nonprofit public benefit corporation organized to provide services to adolescents, young adults, and their families in San Francisco and Marin counties. Founded on the belief that adolescence is a dynamic and challenging time of life, the Organization's mission is to educate, inspire, and support youth to develop healthy life choices, to maximize their potential, and to realize their dreams.

Program Services

Huckleberry House - The agency began in 1967 with the creation of Huckleberry House, the first adolescent crisis shelter in the country and the model for adolescent shelters funded since 1974 by the federal Runaway and Homeless Youth Act. Huckleberry House was developed as a community response to the large numbers of young people who came to San Francisco in the late 1960's, some of whom were fleeing from very difficult situations and needed help on the road to becoming healthy, responsible adults.

Huckleberry House is a "first responder" to adolescents in crisis in San Francisco. The six-bed shelter operates a 24/7 crisis line and provides emergency services to approximately 163 unhoused, runaway, and at-risk youth, ages 11-18, annually. Huckleberry House offers youth a safe place to stay and assistance with family reunification. All services are provided free of charge: emergency housing; case management; access to the Huckleberry Youth Health Center; three nutritious meals each day and healthy snacks; clothing and school supplies as needed; 24-hour supervision; monitoring of school attendance; health education on relevant topics; assistance with homework; and recreational, arts, and physical activities.

Young people at all Organization programs have access to mental health counselors. Counselors provide adolescent assessment and individual therapy, comprehensive family assessments, family preservation counseling and family reunification therapy, and case management services to over 534 youth, ages 11-21.

HUCKLEBERRY YOUTH PROGRAMS, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 1 – Nature of Operations (Continued)

Program Services (Continued)

Huckleberry ACE Academy – The Organization's Access to College Equity (“ACE”) Academy is a Marin community-based initiative preparing under-performing youth for college and careers in health care. The program recruited 131 high-potential, under-performing, low-income youth, primarily youth of color. Most will be the first in their families to go to college. The Huckleberry ACE Academy provides academic assistance (including SAT/ACT preparation), health education training, college counseling, and wraparound support services. One hundred percent of senior participants graduated from high school and one hundred percent of graduating participants are expected to enroll in a post-secondary institution.

Huckleberry Youth Health Center - Huckleberry Youth Health Center is the first full-time, community-based health center dedicated exclusively to teens and young adults in San Francisco. It is also the primary provider of health education workshops in San Francisco schools and after-school sites. Medical services, including primary and reproductive health care, are provided by caring peers and adults.

Project READY – The Organization’s Project READY (Reconnecting, Educating, and Achieving Dreams for Youth) ensures middle schoolers with behavioral or truancy issues successfully transition to high school and avoid contact with the juvenile justice system. Academic support and intensive one-on-one case management, combined with parental support and education, can reduce rates of school failure and arrest among youth with multiple risk factors. To achieve the goal of transitioning youth to high school while avoiding contact with the juvenile justice system, the program worked with 38 youth from the summer before 8th grade through the first semester of 9th grade, with the most intensive services offered during 8th grade.

Community Assessment and Resource Center – The Organization’s Community Assessment and Resource Center (“CARC”) is considered one of the most successful community-based juvenile justice diversion programs in the United States of America. Managed by the Organization for the City and County of San Francisco, CARC provides a single point of entry for crisis intervention, assessment, service integration, and rehabilitation for 155 youth, about one third of the youth arrested annually in the county. CARC case managers have successfully worked with youth to reintegrate them into schools, arrange for special education services, obtain mental health services, complete community service and probation requirements, and engage the youth in positive social, arts, athletic, and youth development programs.

HUCKLEBERRY YOUTH PROGRAMS, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 1 – Nature of Operations (Continued)

Program Services (Continued)

Huckleberry Teen Health Program - Huckleberry Teen Health Program ("HTHP") is the primary provider of health access, youth development, and other support services for youth in Marin County. Services include weekly teen clinics in San Rafael, health workshops offered in schools and community sites, individual and family counseling, and case management. The Organization was selected by Marin County to provide prevention counseling to youth referred by the Marin County Juvenile Drug Court. Many of HTHP's 2,082 clients served annually are from the Canal District of San Rafael. The primary ethnic group in the Canal District is Latino, including recent immigrants from Mexico and Central America. The program is located across the street from San Rafael High School.

Huckleberry Advocacy and Response Team – The Organization's Advocacy and Response Team ("HART") strives to create a safe space where youth are provided options in a nonjudgmental way in the hopes that they can lead the lives they desire and heal in the ways they define for themselves. HART views human trafficking as a symptom of larger vulnerabilities and other systemic root causes and works to address how these dynamics play out in young people's lives. HART provides advocacy and direct practice services to youth ages 11-24 who are vulnerable to or experiencing commercial sexual exploitation, involved in sex trafficking, or engaging in survival sex. Using a relationship-driven, empowerment, and client centered approach, HART engaged 50 youth most disconnected from systems with the goal of re-engaging them with providers and connecting to their community.

NOTE 2 – Summary of Significant Accounting Policies

Basis of Accounting and Presentation

The financial statements of the Organization are prepared on the accrual basis of accounting and in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) specific to nonprofit organizations. The Organization presents information about its net assets and activities by two net assets classes: without donor restrictions and with donor restrictions.

HUCKLEBERRY YOUTH PROGRAMS, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Basis of Accounting and Presentation (Continued)

Net Assets Without Donor Restrictions - Net assets which have not been specifically restricted by a donor. Net assets without donor restrictions may be designated for specific purposes by the Organization or may be limited by contractual agreements with outside parties.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Prior-Year Comparative Information

The financial statements include certain prior-year summarized comparative information in total, but not by net assets class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

Reclassifications

Certain amounts in the 2021 summarized comparative totals have been reclassified to conform with the 2022 reporting format.

Cash and Cash Equivalents

Cash equivalents are all highly liquid investments with a maturity of three months or less when purchased, unless held for reinvestment as part of the investment portfolio, pledged to secure loan agreements or otherwise restricted or designated. The carrying amount approximates fair value because of the short maturity of those instruments.

HUCKLEBERRY YOUTH PROGRAMS, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Contributed Nonfinancial Assets and Services

Contributed nonfinancial assets and services are recognized at fair value as contribution revenue and expense at the time of donation. Fair value is determined using management estimates and similar third-party data. Contributed nonfinancial services were recognized as revenue and administrative expenses during the years ended June 30, 2022 and 2021.

Fair Value

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the “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. The Organization determines the fair value of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value.

Level 1 - Inputs are quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 - Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the asset or liability. Unobservable inputs reflect the Organization’s own assumptions about the assumptions market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the Organization’s own data.

HUCKLEBERRY YOUTH PROGRAMS, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Government Grants and Contributions Receivable

Government grants and contributions receivable represent amounts due from government agencies and donors. Receivable balances with charges over thirty days old are considered delinquent and management begins collection efforts at this time. Delinquent receivables do not accrue interest. The Organization continually monitors the credit worthiness of each receivable and recognizes allowances for estimated bad debts on receivable balances that are no longer estimated to be collectible. The Organization adjusts any allowance for subsequent collections and final determination that a receivable is no longer collectible. There was no allowance considered necessary at June 30, 2022 and 2021.

Government grants and contributions are recognized as revenue and support in the period unconditionally promised or received. The Organization reports contributions in the net assets with donor restrictions class if they are received with donor stipulations as to their use, or if the contribution contains an implied time restriction. They are initially reported in the net assets with donor restrictions class, even if it is anticipated such restrictions will be met in the current reporting period. Conditional promises, primarily from local government entities, to give of approximately \$1,300,000 are not included on the statement of activities and will be recognized when such conditions are substantially met in future years by incurring qualifying costs within a budgeted target. If contributions are received without donor stipulations or an implied time restriction, they are considered unrestricted funds and are included as part of the Organization's net assets without donor restrictions. Cash received before conditions of contributions are met are deferred and presented as refundable advances on the statement of financial position.

Income Taxes

The Organization is exempt from federal and California income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code. As such, the Organization qualifies for the maximum charitable contribution deduction by donors. As of and for the year ended June 30, 2022, the Organization had no unrecognized tax benefits, tax penalties, or interest. The Organization is subject to potential income tax audits on open tax years by any taxing jurisdiction in which it operates. The statute of limitations for federal purposes is three years and for California is four years, respectively.

HUCKLEBERRY YOUTH PROGRAMS, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Concentrations and Credit Risk

Financial instruments which potentially subject the Organization to credit risk consist principally of cash and cash equivalents and grants and contributions receivable. The Organization's cash is maintained in demand deposits and in money funds in high quality financial institutions. At times, such cash may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant risk on its cash and cash equivalents. The Organization generally does not maintain collateral for its receivable balances, and does not believe significant credit risk exists at June 30, 2022. Two agencies represented 31% of total government grants receivable at June 30, 2022. Four donors accounted for 92% of contributions receivable at June 30, 2022.

Property and Equipment

Property and equipment purchased by the Organization is recorded at cost. The Organization follows the practice of capitalizing all expenditures for land, buildings, and equipment over \$5,000 with a useful life greater than one year. The fair value of all donated property and equipment is similarly capitalized. Depreciation has been provided on the straight-line method based on the useful lives of the assets as follows:

Building	30 years
Building improvements	7 to 19 years
Leasehold improvements	5 to 10 years
Furniture and equipment	3 to 7 years
Vehicles	5 years

Functional Expense Classification

The Organization charges and allocates its expenses on a functional basis among its program and support services. Expenses that can be identified with the program or support service are assigned directly. Expenses common to several functions are allocated based on total direct costs per function.

Subsequent Events

Subsequent events have been evaluated through January 10, 2024, which is the date the financial statements were available to be issued.

HUCKLEBERRY YOUTH PROGRAMS, INC.

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 – Contributions and Grants Receivable

Unconditional promises to give are estimated to be collected as follows at June 30, 2022:

Within one year	\$ 261,000
In one to five years	<u>183,000</u>
Total contributions and grants receivable	<u><u>\$ 444,000</u></u>

NOTE 4 – Property and Equipment

Property and equipment consisted of the following at June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Land	\$ 113,419	\$ 113,419
Building	150,338	150,338
Building improvements	385,168	385,168
Leasehold improvements	329,208	301,348
Furniture and equipment	245,671	245,671
Vehicles	<u>122,512</u>	<u>122,512</u>
	1,346,316	1,318,456
Less accumulated depreciation	<u>(1,108,420)</u>	<u>(1,077,483)</u>
Net property and equipment	<u><u>\$ 237,896</u></u>	<u><u>\$ 240,973</u></u>

In 2020, the Organization purchased a van with proceeds from a grant. The grant requires that the vehicle be used for the related restricted purpose over the life of the grant through June 2024. The van has a cost basis of \$26,606, and related accumulated depreciation of \$10,642 as of June 30, 2022.

The Organization owns land with a cost basis of \$77,437 that is subject to a donor's restriction that the land be used for the Organization's programs in perpetuity.

Depreciation expense was \$30,936 for the year ended June 30, 2022.

HUCKLEBERRY YOUTH PROGRAMS, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 5 – Accrued Unemployment Liability

The Organization has elected to be self-insured through a multi-employer plan for the purposes of California State Unemployment Insurance. The estimated accrued unemployment liability of \$30,000 represents estimated future claims limited by the plan’s stop loss policy. Unemployment insurance expense was \$13,124 and \$70,813 for the years ending June 30, 2022 and 2021, respectively.

NOTE 6 – Line of Credit

The Organization has a bank line of credit with a maximum borrowing limit of \$500,000. The line of credit is secured by the Organization’s assets with interest payable monthly at 3.25% and expires in June 2031. There was no outstanding balance at June 30, 2022 and 2021.

NOTE 7 – Net Assets With Donor Restrictions

Net assets with donor restrictions are subject to donor-imposed stipulations that will be met by either actions of the Organization and/or the passage of time. At June 30, 2022 and 2021, net assets with donor restrictions consisted of the following:

	<u>2022</u>	<u>2021</u>
Wellness Academy	\$ 214,169	\$ 305,445
Teen Health	225,000	297,546
Huckleberry House	103,761	130,000
Land - perpetual use for programs	77,437	77,437
Strategic planning	-	40,000
Community Assessment and Resource Center	15,963	21,285
Project READY	115,000	19,000
Time restriction	<u>494,000</u>	<u>115,000</u>
Total net assets with donor restrictions	<u>\$ 1,245,330</u>	<u>\$ 1,005,713</u>

HUCKLEBERRY YOUTH PROGRAMS, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 8 – Liquidity and Availability

Financial assets available for general expenditures within one year of the statement of financial position date consisted of the following:

Financial assets:

Cash and cash equivalents	\$ 1,735,539
Government grants receivable	2,173,859
Contributions receivable	<u>444,000</u>
Total financial assets	<u>4,353,398</u>

Less amounts unavailable for general expenditures within one year due to:

Net assets with donor restrictions	(1,245,330)
Receivable balances due in excess of one year	<u>(183,000)</u>
Total amounts unavailable for general expenditures within one year	<u>(1,428,330)</u>

Total financial assets available for general expenditures within one year	<u>\$ 2,925,068</u>
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The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

The Organization has a \$500,000 line of credit available to meet cash needs that matures in June 2031. There were no draws outstanding on the line of credit as of June 30, 2022 and 2021.

HUCKLEBERRY YOUTH PROGRAMS, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 9 – Operating Leases

The Organization leases program facilities and administrative offices under various cancelable and non-cancelable operating leases that expire at various dates through 2028. The aggregate remaining minimum rental payments required under the terms of all non-cancelable operating leases as of June 30, 2022 are as follows:

<u>Year Ending</u> <u>June 30,</u>	
2023	\$ 560,555
2024	271,261
2025	226,244
2026	233,032
2027	<u>179,758</u>
	<u>\$ 1,470,850</u>

Rent and related overhead charges of \$500,242 and \$550,844 were recognized as expense during the years ended June 30, 2022 and 2021, respectively.

NOTE 10 – Retirement Plan

Pursuant to Section 403(b) of the Internal Revenue Code, the Organization contributes to a tax-sheltered annuity plan (the “Plan”) for qualifying employees. The Organization made no employer contributions to the Plan during the years ended June 30, 2022 and 2021, respectively.

HUCKLEBERRY YOUTH PROGRAMS, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 11 – Program Expenses

Program expenses were applied to programs for the year ended June 20, 2022 as follows:

	<u>Huckleberry House</u>	<u>Huckleberry ACE Academy</u>	<u>Project READY</u>	<u>Huckleberry Youth Health Center</u>	<u>Advocacy & Response Team</u>	<u>Huckleberry Teen Health Program</u>	<u>Assessment & Resource Center</u>	<u>Total Program</u>
Personnel expenses								
Salaries	\$ 857,726	\$ 262,813	\$ 318,862	\$ 613,056	\$ 487,585	\$ 494,957	\$ 576,601	\$ 3,611,600
Taxes and benefits	<u>147,241</u>	<u>46,417</u>	<u>59,104</u>	<u>119,633</u>	<u>86,677</u>	<u>103,111</u>	<u>95,737</u>	<u>657,920</u>
Total personnel expenses	1,004,967	309,230	377,966	732,689	574,262	598,068	672,338	4,269,520
Professional services	22,933	500	1,636	11,551	4,433	5,704	9,741	56,498
Subcontracts	-	-	-	230,903	-	-	125,102	356,005
Occupancy and office expenses	109,841	81,278	67,953	171,997	157,163	130,439	182,712	901,383
Travel, meetings, and professional development	9,755	2,114	6,302	7,453	5,281	4,568	5,378	40,851
Direct client assistance	<u>28,487</u>	<u>14,154</u>	<u>5,024</u>	<u>159,611</u>	<u>15,116</u>	<u>13,904</u>	<u>10,840</u>	<u>247,136</u>
Total expenses	<u>\$ 1,175,983</u>	<u>\$ 407,276</u>	<u>\$ 458,881</u>	<u>\$ 1,314,204</u>	<u>\$ 756,255</u>	<u>\$ 752,683</u>	<u>\$ 1,006,111</u>	<u>\$ 5,871,393</u>