

**BAYSHORE CHRISTIAN MINISTRIES**  
**(A California Nonprofit Public Benefit Corporation)**

**FINANCIAL STATEMENTS**

**For the Years Ended**  
**September 30, 2020 and 2019**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Bayshore Christian Ministries  
East Palo Alto, CA 94303

We have audited the accompanying financial statements of Bayshore Christian Ministries (a California nonprofit public benefit corporation) which comprise the statements of financial position as of September 30, 2020 and 2019, and the related statements of activities, cash flows and functional expenses 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 from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bayshore Christian Ministries as of September 30, 2020 and 2019, and the changes in its net assets, cash flows and functional expenses for the years then ended in accordance with accounting principles generally accepted in the United States of America.



February 5, 2020

**BAYSHORE CHRISTIAN MINISTRIES**  
**(A California Nonprofit Public Benefit Corporation)**

**STATEMENT OF FINANCIAL POSITION**  
**As of September 30, 2020 and 2019**

	2020	2019
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents (Note 2)	\$ 557,317	\$ 386,893
Pledges receivable, current portion (Note 2 and 3)	76,050	202,850
Prepaid expenses and deposits	14,805	36,617
Total current assets	648,172	626,360
Building, leasehold improvements, furniture, and equipment, net of accumulated depreciation of \$1,109,212 in 2020 and \$1,064,148 in 2019 (Note 4)	1,033,597	1,078,661
Pledges receivable, net of current portion and allowance (Note 2 and 3)	89,776	95,027
Total assets	\$ 1,771,545	\$ 1,800,048
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 87,564	\$ 95,858
Accrued scholarships (Note 5)	-	5,250
Deferred revenue	13,837	75,959
Loan payable - current portion (Note 6)	11,118	11,249
Total current liabilities	112,519	188,316
Non current liabilities		
Loan payable (Note 6)	315,108	326,356
CARES Act PPP Loan (Note 11)	145,100	-
Accrued payroll Taxes	18,391	-
Total liabilities	591,118	514,672
Net assets		
Net assets without donor restrictions (Note 7)	911,101	907,249
Net assets with temporary donor restrictions (Note 7)	194,326	303,127
Net assets with permanent donor restrictions (Note 7)	75,000	75,000
Total net assets	1,180,427	1,285,376
Total liabilities and net assets	\$ 1,771,545	\$ 1,800,048

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

**BAYSHORE CHRISTIAN MINISTRIES**  
**(A California Nonprofit Public Benefit Corporation)**

**STATEMENT OF ACTIVITIES**  
**For the year ended September 30, 2020**

	Net Assets without Donor Restrictions	Net Assets with Temporary Donor Restrictions	Net Assets with Permanent Donor Restrictions	Total
<b>SUPPORT, REVENUE AND TRANSFERS</b>				
Contributions	\$ 545,401	\$ 53,844	\$ -	\$ 599,245
Program fee revenue	-	6,413	-	6,413
Grants	60,700	102,000	-	162,700
Fundraising events	168,580	-	-	168,580
Interest income	1,121	-	-	1,121
Facility use fees	140,710	12,238	-	152,948
In-kind contributions (Note 8)	8,234	66,514	-	74,748
Total support and revenue	<u>924,746</u>	<u>241,009</u>	<u>-</u>	<u>1,165,755</u>
Net assets released from restrictions	349,810	(349,810)	-	-
Total support, revenue and transfers	<u>1,274,556</u>	<u>(108,801)</u>	<u>-</u>	<u>1,165,755</u>
<b>EXPENSES</b>				
Program expenses				
Bible Club	73,876	-	-	73,876
CFAF	31,039	-	-	31,039
Create Academy & Studios	261,301	-	-	261,301
Education and outreach	118,728	-	-	118,728
Kidsmart	286,730	-	-	286,730
Leaders in Training	92,664	-	-	92,664
Streetworkz	112,913	-	-	112,913
Total program expenses	<u>977,251</u>	<u>-</u>	<u>-</u>	<u>977,251</u>
General and administrative	99,152	-	-	99,152
Fundraising	194,301	-	-	194,301
Total expenses	<u>1,270,704</u>	<u>-</u>	<u>-</u>	<u>1,270,704</u>
Change in net assets	3,852	(108,801)	-	(104,949)
Net assets, beginning of year	<u>907,249</u>	<u>303,127</u>	<u>75,000</u>	<u>1,285,376</u>
Net assets, end of year	<u>\$ 911,101</u>	<u>\$ 194,326</u>	<u>\$ 75,000</u>	<u>\$1,180,427</u>

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

**BAYSHORE CHRISTIAN MINISTRIES**  
**(A California Nonprofit Public Benefit Corporation)**

**STATEMENT OF ACTIVITIES**  
**For the year ended September 30, 2019**

	Net Assets without Donor Restrictions	Net Assets with Temporary Donor Restrictions	Net Assets with Permanent Donor Restrictions	Total
<b>SUPPORT, REVENUE AND TRANSFERS</b>				
Contributions	\$ 437,122	\$ 14,575	\$ -	\$ 451,697
Program fee revenue	-	10,884	-	10,884
Grants	278,175	71,174	-	349,349
Fundraising events	166,267	-	-	166,267
Interest income	798	-	-	798
Facility use fees	140,698	4,824	-	145,522
In-kind contributions (Note 8)	6,069	120,977	-	127,046
Total support and revenue	<u>1,029,129</u>	<u>222,434</u>	<u>-</u>	<u>1,251,563</u>
Net assets released from restrictions	189,957	(189,957)	-	-
Total support, revenue and transfers	<u>1,219,086</u>	<u>32,477</u>	<u>-</u>	<u>1,251,563</u>
<b>EXPENSES</b>				
Program expenses				
Bible Club	74,455	-	-	74,455
Create Academy & Studios	244,325	-	-	244,325
Education and outreach	125,939	-	-	125,939
Kidsmart	290,818	-	-	290,818
Leaders in Training	86,368	-	-	86,368
Streetworkz	110,819	-	-	110,819
Total program expenses	<u>932,724</u>	<u>-</u>	<u>-</u>	<u>932,724</u>
General and administrative	116,397	-	-	116,397
Fundraising	161,795	-	-	161,795
Total expenses	<u>1,210,916</u>	<u>-</u>	<u>-</u>	<u>1,210,916</u>
Change in net assets	8,170	32,477	-	40,647
Net assets, beginning of year	<u>899,079</u>	<u>270,650</u>	<u>75,000</u>	<u>1,244,729</u>
Net assets, end of year	<u>\$ 907,249</u>	<u>\$ 303,127</u>	<u>\$ 75,000</u>	<u>\$1,285,376</u>

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

**BAYSHORE CHRISTIAN MINISTRIES**  
**(A California Nonprofit Public Benefit Corporation)**

**STATEMENT OF CASH FLOWS**  
**For the years ended September 30, 2020 and 2019**

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (104,948)	\$ 40,647
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	45,063	46,376
Changes in assets and liabilities:		
Certificate of deposit	-	100,710
Pledges receivable	132,050	(38,777)
Prepaid expenses and deposits	21,813	(13,712)
Accounts payable and accrued liabilities	10,097	47,767
Accrued scholarships	(5,250)	(6,300)
Deferred revenue	(62,122)	24,434
Total adjustments	<u>141,651</u>	<u>160,498</u>
Net cash provided by operating activities	<u>36,703</u>	<u>201,145</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of properties and equipment	-	(3,231)
Net cash (used) by investing activities	<u>-</u>	<u>(3,231)</u>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Line of Credit	-	-
PPP Loan Payable (Note 11)	145,100	-
Loan payable from bank (Note 6)	(11,379)	(10,829)
Net cash provided by financing activities	<u>133,721</u>	<u>(10,829)</u>
 Net increase in cash and cash equivalents	170,424	187,085
 Cash and cash equivalents, beginning of year	<u>386,893</u>	<u>199,808</u>
 Cash and cash equivalents, end of year	<u>\$ 557,317</u>	<u>\$ 386,893</u>
 Supplementary information		
Cash paid for interest	<u>\$ 18,258</u>	<u>\$ 18,809</u>

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

**BAYSHORE CHRISTIAN MINISTRIES**  
**(A California Nonprofit Public Benefit Corporation)**

**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the year ended September 30, 2020**

	Program	Management and General	Fundraising	Total
Personnel	\$ 499,913	\$ 33,442	\$ 99,457	\$ 632,812
Payroll taxes and insurance	48,283	3,383	9,442	61,108
Employee benefits	52,216	3,873	10,345	66,434
Professional and outside services	82,240	33,878	21,501	137,619
Covid Family Assistance Fund	30,149	-	-	30,149
Conferences and training	-	348	-	348
Equipment rental and maintenance	66,954	3,307	4,102	74,363
Food, meals and entertainment	2,270	712	25,106	28,088
Insurance	16,097	503	168	16,768
Interest	16,615	730	913	18,258
Licenses, fees and taxes	6,405	5,186	11,530	23,121
Occupancy and admission fees	12,591	4,611	5,664	22,866
Postage, printing and publications	192	1,336	170	1,698
Stipends and awards	4,026	2,836	661	7,523
Supplies	49,556	1,265	881	51,702
Telephone, fax and internet	9,937	677	546	11,160
Travel, transportation and lodging	10,758	93	106	10,957
Utilities	27,907	1,227	1,533	30,667
Total operating expenses	<u>936,109</u>	<u>97,407</u>	<u>192,125</u>	<u>1,225,641</u>
Depreciation	41,142	1,745	2,176	45,063
Total expenses	<u>\$ 977,251</u>	<u>\$ 99,152</u>	<u>\$ 194,301</u>	<u>\$ 1,270,704</u>
	77%	8%	15%	100%

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



**BAYSHORE CHRISTIAN MINISTRIES**  
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**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the year ended September 30, 2019**

	Program	Management and General	Fundraising	Total
Personnel	\$ 453,987	\$ 42,437	\$ 87,305	\$ 583,729
Payroll taxes and insurance	40,901	3,671	7,866	52,438
Employee benefits	44,464	3,990	8,551	57,005
Professional and outside services	143,905	45,334	10,510	199,749
Bad debt expense	982	-	-	982
Conferences and training	811	864	348	2,023
Equipment rental and maintenance	36,612	3,632	2,113	42,357
Food, meals and entertainment	783	87	20,520	21,390
Insurance	20,433	639	213	21,285
Interest	17,116	752	940	18,808
Licenses, fees and taxes	3,911	6,193	11,754	21,858
Occupancy and admission fees	27,890	1,361	1,146	30,397
Postage, printing and publications	30	624	1,409	2,063
Stipends and awards	4,791	145	933	5,869
Supplies	47,972	2,380	2,824	53,176
Telephone, fax and internet	8,010	619	1,227	9,856
Travel, transportation and lodging	12,091	742	482	13,315
Utilities	25,698	1,130	1,412	28,240
Total operating expenses	<u>890,387</u>	<u>114,600</u>	<u>159,553</u>	<u>1,164,540</u>
Depreciation	42,337	1,797	2,242	46,376
Total expenses	<u>\$ 932,724</u>	<u>\$ 116,397</u>	<u>\$ 161,795</u>	<u>\$ 1,210,916</u>
	77%	10%	13%	100%

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

**BAYSHORE CHRISTIAN MINISTRIES**  
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**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended September 30, 2020 and 2019**

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**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization – Bayshore Christian Ministries (BCM) was founded in 1984 and incorporated in the State of California in 1987. The mission of BCM is to equip East of Bayshore youth to grow spiritually, gain life skills and develop as leaders so that they have hope and a future. The organization targets its programs primarily to youth from age seven through eighteen years old and offers programs during after school hours, during the summer and year-round. BCM is recognized by the Internal Revenue Service as a nonprofit, public benefit organization under the IRC section 501(c)(3).

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES**

Method of Accounting – The financial statements of the Corporation are prepared using the accrual basis of accounting in accordance with U.S. generally accepted accounting principles, which reflects revenue when earned and expenses as incurred.

Cash and Cash Equivalents - Cash is defined as cash in demand deposit accounts as well as cash on hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and investments so near their maturity that the risk of changes in value due to changes in interest rates is negligible. These are generally investments with maturity dates within three months of the acquisition date.

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

Net assets without donor restrictions - Net assets that are not subject to any donor-imposed restrictions. This class also includes restricted gifts whose donor-imposed restrictions were met during the fiscal year.

Net assets with temporary donor restrictions - Net assets resulting (a) from contributions and other inflows of assets whose use by the Corporation is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Corporation pursuant to those stipulations, (b) from other asset enhancements and diminishments that are subject to the same kind of stipulations, and (c) from reclassification from (or to) other classes of net assets.

Net assets with permanent donor restrictions - Net assets resulting (a) from contributions and other inflows of assets whose use by the Corporation is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Corporation, (b) from other asset enhancements and diminishments that are subject to the same kinds of stipulations, and (c) from reclassification from (or to) other classes of net assets as a consequence of donor-imposed stipulations.

**BAYSHORE CHRISTIAN MINISTRIES**  
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**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended September 30, 2020 and 2019**

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**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

UPMIFA - A standard was created which provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). California adopted UPMIFA on January 1, 2009, the provisions of which apply to endowment funds existing on or established after that date. A key component of the standard is a requirement to classify the portion of investment return from donor-restricted endowment funds that is not classified as net assets with permanent donor restrictions as net assets with temporary donor restrictions until appropriated for expenditure. The required disclosures are set forth in Note 7.

Fair Value Measurements – The Corporation carries certain assets and liabilities at fair value. Fair value is defined as the price that would be received if selling an asset or paid if transferring a liability in an orderly transaction between market participants at the measurement date. Fair value measurement standards also require the Corporation to classify these financial instruments into a three-level hierarchy. The Corporation classifies its financial assets and liabilities according to the below three levels, and maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value.

Level 1 – Quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities, without adjustment.

Level 2 – Quoted prices in markets that are not considered to be active for identical or similar assets or liabilities, quoted prices in active markets of similar assets or liabilities, and inputs other than quoted prices that are observable or can be corroborated by observable market data.

Level 3 – Inputs that are both significant to the fair value measurement and unobservable, including inputs that are not derived from market data or cannot be corroborated by market data.

BCM's carrying amounts of its assets and liabilities, including its investments presented in Note 7, approximate fair value under Level 1 and Level 2 for the years ended September 30, 2020 and 2019.

Contributions, Revenue Recognition, and Accounts Receivable – Contributions consist of cash contributions as well as in-kind goods and services provided to the BCM. Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Multi-year pledges are recorded at present value. 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 depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

**BAYSHORE CHRISTIAN MINISTRIES**  
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**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended September 30, 2020 and 2019**

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**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

Contributions may include unconditional promises to give (pledges). Multi-year pledges are recorded at present value receivable, are reviewed for collectability. An allowance for doubtful accounts was established using an estimate based upon a statistical calculation of receipts of pledges. It is the practice of the Organization to expense uncollectibles only after exhausting all efforts to collect the amounts due.

Donated securities are recorded at their fair value at the date of the donation. Contributed services are recognized at their fair value if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions in-kind are recorded at fair market value.

Property, Equipment, and Leasehold Improvements - The Corporation records property, equipment, and leasehold improvements at cost of acquisition, or, if donated, the fair market value at the date of donation. Depreciation is recognized using the straight-line method over the useful lives of the assets, which range from three to ten years. The Corporation capitalizes all property, equipment, and improvements with a cost in excess of \$1,000.

Functional Allocation of Expenses - The costs of providing the various programs, supporting services and other activities have been summarized on a functional basis in the Statements of Activities and Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on management's estimates and analysis of personnel time spent on each program and activity.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual future results could differ from those estimates.

Income Taxes - Bayshore Christian Ministries is exempt from federal and state taxes under Section 501(c) (3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code, and is considered by the IRS to be a Corporation other than a private Foundation. In the opinion of management, there is no unrelated business income.

Advertising Costs - It is the policy of the Corporation to expense advertising costs as incurred. The Corporation did not incur any advertising costs in fiscal years 2020 and 2019.

**BAYSHORE CHRISTIAN MINISTRIES**  
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**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended September 30, 2020 and 2019**

**NOTE 3 PLEDGES RECEIVABLE**

At September 30, 2020 and 2019 pledges receivable consist of the following:

	2020	2019
Pledges receivable, current portion	\$ 76,050	\$ 202,850
Pledges receivable, long-term portion	95,540	108,963
Allowance for doubtful accounts	(5,764)	(13,936)
Total non-current	89,776	95,027
Total pledges receivable	\$ 165,826	\$ 297,877

**NOTE 4 FURNITURE, EQUIPMENT, AND LEASEHOLD IMPROVEMENTS**

Furniture, equipment, and leasehold improvements, at cost, consist of the following at September 30, 2020 and 2019:

	2020	2019
Land	\$ 225,000	\$ 225,000
Building and improvements	1,754,848	1,754,848
Furniture and equipment	92,585	92,585
Vehicles	70,376	70,376
Less Accumulated depreciation	(1,109,212)	(1,064,148)
Fixed assets, net	\$ 1,033,597	\$ 1,078,661

Depreciation expense was \$45,063 and \$46,376 for the years ended September 30, 2020 and 2019, respectively.

**NOTE 5 SCHOLARSHIP PROGRAM AND ACCRUED SCHOLARSHIPS**

BCM awards scholarships to encourage and assist youth from East Palo Alto to pursue their post-secondary education at accredited institutions. BCM awards scholarships based on a formal application process based upon financial need and merit. BCM remits funds directly to the educational institution for the benefit of the awarded student for qualified educational expenses such as tuition, books, supplies, room and board. Accrued scholarships as of September 30, 2020 and 2019 in the amount of \$0 and \$5,250, respectively, represent funds received by BCM, and restricted by the donor for the scholarship program, which have not yet been paid.

**BAYSHORE CHRISTIAN MINISTRIES**  
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**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended September 30, 2020 and 2019**

**NOTE 6 LOAN PAYABLE**

A commercial loan was established at California Bank & Trust on April 20, 2018 secured by BCM's property at 1001 Beech, East Palo Alto, CA. The interest rate is 5.38% adjustable to LIBOR plus 2.5% on April 20, 2028, with current monthly payments of \$2,470, and a maturity date of April 20, 2038.

Future obligations on the loan are as follows:

2021	\$	12,080
2022		12,757
2023		13,471
2024		14,227
Thereafter		<u>273,691</u>
		<u>\$ 326,226</u>

**NOTE 7 NET ASSETS**

Net Assets with Temporary Donor Restrictions

BCM receives contributions with donor stipulations that limit the use of the assets for specific purposes or for specific time periods. Net assets with temporary donor restrictions at September 30, 2020 and 2019 are designated for the following uses:

	<u>2020</u>	<u>2019</u>
Time restricted and program restricted	\$ 194,326	\$ 297,877
Accrued scholarships	<u>-</u>	<u>5,250</u>
Total	<u>\$ 194,326</u>	<u>\$ 303,127</u>

Net Assets with Permanent Donor Restrictions (Endowment)

Endowment funds which are held in perpetuity, have income generated which is used for program execution expenses of the scholarship awards program. Endowment funds, which are net assets with permanent donor restrictions at September 30, 2020 and 2019 were \$75,000 for both years.

**BAYSHORE CHRISTIAN MINISTRIES**  
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**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended September 30, 2020 and 2019**

**NOTE 8 IN-KIND CONTRIBUTIONS**

Contributions of services are recognized if the services received: (a) create or enhance nonfinancial assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

The fair values of contributed goods and services received and recorded as in-kind revenues in the financials are as follows:

<b>2020</b>	<u>Volunteers</u>	<u>Hours</u>	<u>Value</u>
Bible Club & VBS	20	335	\$ 4,878
KidSmart & KS Bridge	27	1,468	21,373
Streetworks	11	492	7,164
Create Studios & Robotics	25	1,114	16,220
LIT	8	353	5,140
Create Academy	4	195	2,839
Education outreach	20	496	7,222
Administrative & Development	79	521	7,586
Total	<u>194</u>	<u>4,974</u>	<u>72,422</u>
In-kind goods contributed			<u>2,326</u>
Total in-kind goods and services			<u>\$ 74,748</u>

<b>2019</b>	<u>Volunteers</u>	<u>Hours</u>	<u>Value</u>
Bible Club & VBS	97	1,790	26,062
KidSmart	26	2,335	33,998
Streetworks	10	523	7,615
Create Academy	38	57	830
Create studios	36	1,286	18,724
LIT	8	371	5,402
Education outreach	96	1,829	26,630
Administrative & development	16	312	4,543
Total	<u>338</u>	<u>8,182</u>	<u>123,804</u>
In-kind goods contributed			<u>3,242</u>
Total in-kind goods and services			<u>\$ 127,046</u>

**NOTE 9 OPERATING LEASES**

Bayshore Christian Ministries entered into an operational lease on October 14, 2018 for a copy machine for 60 months. The lease has a monthly payment of \$295.

Future minimum obligations under the lease for the remainder of the term are as follows:

<u>September 30,</u>	
2021	\$ 3,540
2022	3,540
2023	<u>3,540</u>
Total	<u>\$ 10,620</u>

**BAYSHORE CHRISTIAN MINISTRIES**  
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**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended September 30, 2020 and 2019**

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**NOTE 10 LIQUIDITY MANAGEMENT**

As part of BCM's liquidity management strategy, BCM structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. BCM's working capital and cash flows have cyclical variations during the year attributable to the cash receipts of contributions and grants, and tuition. BCM has sufficient cash and cash equivalents to meet its current needs and investments which can be converted to cash for periods when cash is not available.

**NOTE 11 CARES ACT PPP LOAN**

During the year ended September 30, 2020 BCM participated in the Payroll Protection Plan (PPP) under the Coronavirus Aid, Relief and Economic Security Act (CARES) due to the Corona Virus Pandemic and received \$145,100 from the federal government. As of the report date, it is unclear whether the loan will be converted to a grant and the obligation will be extinguished. Repayment, if federal authorities determine the loan is not convertible to a grant, is deferred until August 19, 2021, when monthly payments will be due in 24 monthly installments at 1% per annum.

**NOTE 12 CONCENTRATION OF CREDIT RISK**

As of September 30, 2020, BCM had cash balances with a financial institution which exceeded the \$250,000 Federal Deposit Insurance Corporation (FDIC) insured limit by approximately \$63,600.

**NOTE 13 CORONAVIRUS PANDEMIC**

The United States and global markets continue to experience significant volatility resulting from uncertainty caused by the world-wide Coronavirus Pandemic. BCM is closely monitoring its revenue sources, investment portfolio and its liquidity and is actively working to minimize the impact of these price movements. BCM's financial statements do not include adjustments to fair value that may have resulted from these changes. Specific amounts and types of current assets available to be used for current liabilities are identifiable in the classified statements of financial position.

**NOTE 14 SUBSEQUENT EVENTS**

Management has evaluated all subsequent events through the Auditor's Report date, the date the financial statements were available to be issued.