

BAYSHORE CHRISTIAN MINISTRIES
(A California Nonprofit Public Benefit Corporation)

FINANCIAL STATEMENTS

For the Years Ended
September 30, 2021 and 2020

CONTENTS

	<u>Page</u>
Independent Auditor's Report	
Financial Statements	
Statements of Financial Position	1
Statements of Activities	2 - 3
Statements of Cash Flows	4
Statements of Functional Expenses	5 - 6
Notes to Financial Statements	7 - 13

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, 2021 and 2020, 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, 2021 and 2020, 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.



January 11, 2022

BAYSHORE CHRISTIAN MINISTRIES
(A California Nonprofit Public Benefit Corporation)

STATEMENT OF FINANCIAL POSITION
As of September 30, 2021 and 2020

	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents (Note 2)	\$ 592,855	\$ 557,317
Pledges receivable, current portion (Note 2 and 3)	227,773	76,050
Prepaid expenses and deposits	9,907	14,805
Total current assets	830,535	648,172
Building, leasehold improvements, furniture, and equipment, net of accumulated depreciation of \$1,114,757 in 2021 and \$1,109,212 in 2020 (Note 4)	1,112,960	1,033,597
Pledges receivable, net of current portion and allowance for doubtful accounts (Note 2 and 3)	74,167	89,776
Total assets	\$ 2,017,662	\$ 1,771,545
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 65,761	\$ 46,241
Accrued liabilities	57,343	41,323
Accrued scholarships (Note 5)	1,750	-
Deferred revenue	500	13,837
Loan payable - current portion (Note 6)	12,068	11,118
Total current liabilities	137,422	112,519
Non current liabilities		
Accrued payroll taxes	13,165	18,391
Loan payable (Note 6)	302,091	315,108
CARES Act PPP Loan (Note 12)	-	145,100
Total liabilities	452,678	591,118
Net assets		
Net assets without donor restrictions (Note 7)	1,177,294	911,101
Net assets with donor restrictions (Note 7)	387,690	269,326
Total net assets	1,564,984	1,180,427
Total liabilities and net assets	\$ 2,017,662	\$ 1,771,545

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, 2021

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
SUPPORT, REVENUE AND TRANSFERS			
Contributions	\$ 737,495	\$ 27,014	\$ 764,509
Program fee revenue	-	2,828	2,828
Grants	363,500	78,500	442,000
Fundraising events	82,885	1,000	83,885
Capital gains and interest income	5,017	-	5,017
Facility use fees	150,385	3,534	153,919
In-kind contributions (Note 8)	7,464	17,059	24,523
PPP Loan forgiveness (Note 12)	145,100	-	145,100
Total support and revenue	<u>1,491,846</u>	<u>129,935</u>	<u>1,621,781</u>
Net assets released from restrictions	11,571	(11,571)	-
Total support, revenue and transfers	<u>1,503,417</u>	<u>118,364</u>	<u>1,621,781</u>
EXPENSES			
Program expenses			
Bible Club	59,058	-	59,058
Create Academy & Studios	345,744	-	345,744
Education and outreach	26,473	-	26,473
Kidsmart	307,554	-	307,554
Leaders in Training	68,591	-	68,591
Streetworkz	102,532	-	102,532
Total program expenses	<u>909,952</u>	-	<u>909,952</u>
General and administrative	123,140	-	123,140
Fundraising	204,132	-	204,132
Total expenses	<u>1,237,224</u>	-	<u>1,237,224</u>
Change in net assets	266,193	118,364	384,557
Net assets, beginning of year	<u>911,101</u>	<u>269,326</u>	<u>1,180,427</u>
Net assets, end of year	<u>\$ 1,177,294</u>	<u>\$ 387,690</u>	<u>\$1,564,984</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, 2020

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
SUPPORT, REVENUE AND TRANSFERS			
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>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>1,165,755</u>
EXPENSES			
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>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>1,270,704</u>
Change in net assets	3,852	(108,801)	(104,949)
Net assets, beginning of year	<u>907,249</u>	<u>378,127</u>	<u>1,285,376</u>
Net assets, end of year	<u>\$ 911,101</u>	<u>\$ 269,326</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 CASH FLOWS
For the years ended September 30, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	<u>\$ 384,557</u>	<u>\$ (104,948)</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	44,920	45,063
Realized gains	(4,976)	-
Changes in assets and liabilities:		
Pledges receivable	(136,114)	132,050
Prepaid expenses and deposits	4,898	21,813
Accounts payable and accrued liabilities	30,354	10,097
Accrued scholarships	1,750	(5,250)
Deferred revenue	(13,337)	(62,122)
Total adjustments	<u>(72,505)</u>	<u>141,651</u>
Net cash provided by operating activities	<u>312,052</u>	<u>36,703</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in property and equipment	<u>(119,347)</u>	<u>-</u>
Net cash (used) by investing activities	<u>(119,347)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
PPP Loan Payable (Note 12)	(145,100)	145,100
Loan payable from bank (Note 6)	(12,067)	(11,379)
Net cash (used) provided by financing activities	<u>(157,167)</u>	<u>133,721</u>
Net increase in cash and cash equivalents	35,538	170,424
Cash and cash equivalents, beginning of year	<u>557,317</u>	<u>386,893</u>
Cash and cash equivalents, end of year	<u>\$ 592,855</u>	<u>\$ 557,317</u>
Supplementary information		
Cash paid for interest	<u>\$ 17,570</u>	<u>\$ 18,258</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, 2021

	Program	Management and General	Fundraising	Total
Personnel	\$ 541,607	\$ 41,187	\$ 124,664	\$ 707,458
Payroll taxes and insurance	49,885	3,780	10,412	64,077
Employee benefits	51,713	4,699	9,190	65,602
Professional and outside services	17,034	45,416	9,655	72,105
Bad debt	-	-	10,424	10,424
Conferences and training	2,406	492	227	3,125
Equipment rental and maintenance	28,123	2,581	1,524	32,228
Food, meals and entertainment	8,363	3,500	468	12,331
Insurance	11,768	161	122	12,051
Interest	15,989	703	878	17,570
Licenses, fees and taxes	5,135	4,254	19,218	28,607
Occupancy and admission fees	11,696	5,546	3,558	20,800
Postage, printing and publications	256	395	1,051	1,702
Stipends and awards	2,734	4,331	84	7,149
Grants awarded	300	-	3,100	3,400
Supplies	53,267	1,729	4,676	59,672
Telephone, fax and internet	10,472	704	576	11,752
Travel, transportation and lodging	22,457	345	161	22,963
Utilities	35,752	1,572	1,964	39,288
Total operating expenses	<u>868,957</u>	<u>121,395</u>	<u>201,952</u>	<u>1,192,304</u>
Depreciation	40,995	1,745	2,180	44,920
Total expenses	<u>\$ 909,952</u>	<u>\$ 123,140</u>	<u>\$ 204,132</u>	<u>\$ 1,237,224</u>
	74%	10%	16%	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, 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
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
For the years ended September 30, 2021 and 2020

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.

Net assets with donor restrictions – Net assets that are restricted by a donor for use for a particular purpose or in a particular period. Some donor imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

For the years ended September 30, 2021 and 2020 there was \$75,000 in net assets with permanent donor restrictions.

BAYSHORE CHRISTIAN MINISTRIES
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
For the years ended September 30, 2021 and 2020

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 approximate fair value under Level 1 and Level 2 for the years ended September 30, 2021 and 2020.

Contributions and Revenue Recognition – Contributions consist of cash contributions as well as in-kind goods and services provided to the Corporation. 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 are recognized when the donor makes a promise to give to the Corporation that is, in substance, unconditional. Donated securities are recorded at their fair value at the date of donation. Revenue is recognized as earned as services are provided to communities being served.

BAYSHORE CHRISTIAN MINISTRIES
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
For the years ended September 30, 2021 and 2020

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

All 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.

Accounts Receivable - Multi-year pledges are recorded at present value. Contributions receivable are reviewed for collectability, and reserves for uncollectible amounts are established as needed. It is the practice of the Corporation to expense uncollectibles only after exhausting all efforts to collect the amounts due. An allowance for doubtful accounts was established using an estimate based on prior year bad debt expense.

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 2021 and 2020.

BAYSHORE CHRISTIAN MINISTRIES
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
For the years ended September 30, 2021 and 2020

NOTE 3 PLEDGES RECEIVABLE

At September 30, 2021 and 2020 pledges receivable consist of the following:

	<u>2021</u>	<u>2020</u>
Pledges receivable, current portion	\$ 227,773	\$ 76,050
Pledges receivable, long-term portion	83,167	95,540
Allowance for doubtful accounts	<u>(9,000)</u>	<u>(5,764)</u>
Total non-current	<u>74,167</u>	<u>89,776</u>
Total pledges receivable	<u>\$ 301,940</u>	<u>\$ 165,826</u>

NOTE 4 FURNITURE, EQUIPMENT, AND LEASEHOLD IMPROVEMENTS

Furniture, equipment, and leasehold improvements, at cost, consist of the following at September 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Land	\$ 225,000	\$ 225,000
Building and improvements	1,879,131	1,754,848
Furniture and equipment	92,586	92,585
Vehicles	31,000	70,376
Less Accumulated depreciation	<u>(1,114,757)</u>	<u>(1,109,212)</u>
Fixed assets, net	<u>\$ 1,112,960</u>	<u>\$ 1,033,597</u>

Depreciation expense was \$44,920 and \$45,063 for the years ended September 30, 2021 and 2020, 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, 2021 and 2020 in the amount of \$1,750 and \$0, respectively, represent funds received by BCM, and restricted by the donor for the scholarship program, which have not yet been paid.

BAYSHORE CHRISTIAN MINISTRIES
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
For the years ended September 30, 2021 and 2020

NOTE 6 LOAN PAYABLE

A commercial loan in the amount of \$360,000 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 currently 5.38%, adjustable from time to time to LIBOR plus 2.5%, with current monthly payments of \$2,470, and a maturity date of April 20, 2038.

Principal maturities on the loan are as follows:

2022	\$	12,068
2023		13,789
2024		14,551
2025		15,355
2026		16,203
Thereafter		<u>242,193</u>
	\$	<u>314,159</u>

NOTE 7 NET ASSETS

Net Assets with Donor Restrictions

BCM receives contributions with donor stipulations that limit the use of the assets for specific purposes or for specific time periods.

The following consists of net assets with donor restrictions at September 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Time restricted and program restricted	\$ 310,940	\$ 194,326
Accrued scholarships	<u>1,750</u>	<u>-</u>
Total	<u>312,690</u>	<u>194,326</u>
To be held in perpetuity (Endowment Fund)	<u>75,000</u>	<u>75,000</u>
Total Net assets with donor restrictions	<u>\$ 387,690</u>	<u>\$ 269,326</u>

Endowment funds which are held in perpetuity, have income generated which is used for program execution expenses of the scholarship awards program.

BAYSHORE CHRISTIAN MINISTRIES
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
For the years ended September 30, 2021 and 2020

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:

2021	<u>Volunteers</u>	<u>Hours</u>	<u>Value</u>
Streetworkz	3	23	\$ 365
Administrative & development	11	432	6,864
Create Robotics	10	513	8,152
Total	<u>24</u>	<u>968</u>	<u>15,381</u>
In-kind goods contributed			<u>9,142</u>
Total in-kind goods and services recorded			<u>\$ 24,523</u>

For the year ended September 30, 2021 BCM had 235 volunteers who had donated 4,389 hours in 2021; however, these donated services are not reflected in the financial statements since the services do not require specialized skills. The donated volunteer services would have a fair value of \$69,741 in 2021.

2020	<u>Volunteers</u>	<u>Hours</u>	<u>Value</u>
Bible Club & VBS	20	335	\$ 4,878
KidSmart & KS Bridge	27	1,468	21,373
Streetworkz	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 recorded			<u>\$ 74,748</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>	
2022	3,540
2023	<u>3,540</u>
Total	<u>\$ 7,080</u>

BAYSHORE CHRISTIAN MINISTRIES
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
For the years ended September 30, 2021 and 2020

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.

The Statement of Financial Position shows liquid assets as follows:

Cash and cash equivalents	\$ 592,855
Accounts receivable	227,773
Net assets with donor restrictions	<u>(387,690)</u>
Financial assets available for current needs	<u>\$ 432,938</u>

NOTE 11 RECLASSIFICATION OF PRIOR YEAR PRESENTATION

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations. These changes in classification do not affect previously reported cash flows from operating activities in the Statements of Cash Flows.

NOTE 12 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 Coronavirus Pandemic and received \$145,100 from the federal government. On April 17, 2021 the Small Business Administration had granted the Corporation complete forgiveness of the Payroll Protection Plan loan.

NOTE 13 CONCENTRATION OF CREDIT RISK

As of September 30, 2021, BCM had cash balances with a financial institution which exceeded the \$250,000 Federal Deposit Insurance Corporation (FDIC) insured limit by approximately \$187,500.

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.