
MyPath

FINANCIAL STATEMENTS

June 30, 2015

CROSBY & KANEDA
Certified Public Accountants

Dedicated to Nonprofit Organizations

MYPATH

Contents

Independent Auditor's Report	1-2
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Statement of Functional Expenses	6
Notes to the Financial Statements	7-11

INDEPENDENT AUDITOR'S REPORT

Board of Directors
MyPath (formerly Mission SF Community Financial Center)
San Francisco, California

Report on the Financial Statements

We have audited the accompanying financial statements of MyPath (formerly Mission SF Community Financial Center), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, cash flows and functional expenses for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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, 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 MyPath as of June 30, 2015, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink, reading "Crosby + Kaneda". The signature is written in a cursive, flowing style.

Certified Public Accountants
Oakland, California
December 7, 2015

MYPATH

**Statement of Financial Position
June 30, 2015**

Assets

Current Assets	
Cash	\$ 366,786
Accounts receivable	63,606
Grants receivable	125,173
Prepaid expenses	28,556
Total Current Assets	<u>584,121</u>
Property and equipment (Note 3)	<u>3,190</u>
Total Assets	<u>\$ 587,311</u>

Liabilities and Net Assets

Current Liabilities	
Accounts payable	\$ 46,852
Accrued PTO	32,393
Total Liabilities	<u>79,245</u>
Commitments and Contingencies (Notes 4 and 5)	
Net Assets	
Unrestricted	184,422
Temporarily restricted (Note 6)	323,644
Total Net Assets	<u>508,066</u>
Total Liabilities and Net Assets	<u>\$ 587,311</u>

See Notes to the Financial Statements

MYPATH

Statement of Activities For the Year Ended June 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and Revenue			
Support			
Foundation and corporate	\$ 65,821	\$ 451,239	\$ 517,060
Government	268,800		268,800
Individual	9,458		9,458
In-kind support (Note 7)	61,055		61,055
Total Support	<u>405,134</u>	<u>451,239</u>	<u>856,373</u>
Revenue			
Interest	900		900
Miscellaneous	2,167		2,167
Total Revenue	<u>3,067</u>	<u>-</u>	<u>3,067</u>
Net assets released from donor restriction (Note 6)	<u>549,519</u>	<u>(549,519)</u>	<u>-</u>
Total Support and Revenue	<u>957,720</u>	<u>(98,280)</u>	<u>859,440</u>
Expenses			
Program	738,499		738,499
Management and general	176,341		176,341
Fundraising	24,977		24,977
Total Expenses	<u>939,817</u>	<u>-</u>	<u>939,817</u>
Change in net assets	<u>17,903</u>	<u>(98,280)</u>	<u>(80,377)</u>
Net Assets, beginning of year	<u>166,519</u>	<u>421,924</u>	<u>588,443</u>
Net Assets, end of year	<u>\$ 184,422</u>	<u>\$ 323,644</u>	<u>\$ 508,066</u>

See Notes to the Financial Statements

MYPATH

Statement of Cash Flows For the Year Ended June 30, 2015

Cash flows from operating activities	
Change in net assets	\$ (80,377)
Adjustments to reconcile change in net assets to cash (used) provided by operating activities	
Depreciation	2,297
Change in assets and liabilities:	
Accounts receivable	(1,204)
Grants receivable	73,601
Prepaid expenses	(23,443)
Accounts payable	7,876
Accrued PTO	5,144
Net cash used by operating activities	<u>(16,106)</u>
Cash flows from investing activities	
Purchases of property and equipment	<u>(3,060)</u>
Net cash used by investing activities	<u>(3,060)</u>
Net change in cash	<u>(19,166)</u>
Cash, beginning of year	<u>385,952</u>
Cash, end of year	<u>\$ 366,786</u>

See Notes to the Financial Statements

MYPATH

**Statement of Functional Expenses
For the Year Ended June 30, 2015**

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 388,056	\$ 27,275	\$ 17,667	\$ 432,998
Employee benefits	29,523	2,410	1,566	33,499
Payroll taxes	33,558	2,441	1,567	37,566
Total Personnel	<u>451,137</u>	<u>32,126</u>	<u>20,800</u>	<u>504,063</u>
Legal	8,508	758	405	9,671
Accounting	-	129,512	-	129,512
Contract services	63,429	4,925	-	68,354
Supplies	7,636	761	200	8,597
Telephone	5,850	416	214	6,480
Postage	231	103	-	334
Equipment rental	2,073	108	60	2,241
Bank fees	-	10	97	107
Copy and printing	4,982	-	-	4,982
Information technology	6,517	271	143	6,931
Occupancy	42,975	2,573	1,404	46,952
Travel and meals	21,083	23	30	21,136
Conferences and meetings	1,454	-	-	1,454
Depreciation	2,133	112	52	2,297
Insurance	696	51	28	775
Youth incentives	42,685	-	-	42,685
In-kind services	55,365	1,779	1,271	58,415
In-kind goods	2,640	-	-	2,640
Miscellaneous	19,105	2,813	273	22,191
Total Expenses	<u>\$ 738,499</u>	<u>\$ 176,341</u>	<u>\$ 24,977</u>	<u>\$ 939,817</u>

See Notes to the Financial Statements

MyPATH

Notes to the Financial Statements For the Year Ended June 30, 2015

NOTE 1: NATURE OF ACTIVITIES

Established as the non-profit affiliate of Mission SF Federal Credit Union in 1989, MyPath (formerly Mission SF Community Financial Center) (the Organization) became an independent non-profit organization in April, 2011.

The Organization's purpose is to promote financial capability and economic mobility among low-income youth and young adults. The Organization achieves its purpose by designing, testing and replicating program models that provide youth and young adults with access to quality financial products; a working knowledge of personal finance best practices; and a social support system to develop and sustain sound financial habits.

The Organization uses its evaluation systems to gather and disseminate its programmatic outcomes data, lessons and best practices to build the field and engage new partners.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis of Presentation

The Organization presents information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The three classes are differentiated by donor restrictions.

Unrestricted net assets – consist of resources which have not been specifically restricted by a donor. Unrestricted net assets may be designated for specific purposes by the Organization or may be limited by contractual agreements with outside parties.

Temporarily restricted net assets – represent contributions whose use is limited by donor-imposed stipulations that expire by the passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations.

Permanently restricted net assets – represent contributions whose use is limited by donor-imposed stipulations that require the gift to be invested in perpetuity. The income from such invested assets, including realized and unrealized gains, is generally available to support the activities of the Organization. Donors may also restrict all or part of the income and/or appreciation from these investments to permanently restricted net assets, resulting in increases/decreases to these net assets. There were no permanently restricted net assets as of June 30, 2015.

Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give are not recognized until they become unconditional; that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated

MYPATH

Notes to the Financial Statements For the Year Ended June 30, 2015

fair value at the date of contribution. Contributions to be received after one year are discounted at an appropriate rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Unrestricted contributions and grants are recorded as unrestricted revenue when received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Income Taxes

The Internal Revenue Service and the California Franchise Tax Board have determined that the Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and the California Revenue and Taxation Code Section 23701(d). The Organization has evaluated its current tax positions as of June 30, 2015 and is not aware of any significant uncertain tax positions for which a reserve would be necessary. The Organization's tax returns are generally subject to examination by federal and state taxing authorities for three and four years, respectively after they are filed.

Contributed Services

Contributed services are reflected in the financial statements at the fair value of the services received only if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Accounts and Grants Receivable

The Organization considers all accounts and grants receivable to be fully collectible at June 30, 2015. Accordingly, no allowance for doubtful accounts was deemed necessary. If amounts become uncollectible, they are charged to expense in the period in which that determination is made.

Estimates

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

Concentration of Credit Risk

At times, the Organization may have deposits in excess of federally insured limits. The risk is managed by maintaining all deposits in high quality financial institutions.

MyPATH

Notes to the Financial Statements For the Year Ended June 30, 2015

Fair Value Measurements

Fair value is defined as the exchange 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. The Organization determines the fair values 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 (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

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

Level 3 inputs are unobservable inputs for the assets or liability.

The Organization had no assets or liabilities recorded at fair value on June 30, 2015.

Property and Equipment

Property and equipment purchased by the Organization is recorded at cost. The Organization capitalizes all expenditures for property and equipment over \$600; the fair value of donated fixed assets is similarly capitalized. Depreciation is computed using the straight-line method over the estimated useful lives on the property and equipment as follows:

Furniture and equipment	3-5 years
-------------------------	-----------

Expenditures for major renewals and betterments that extend the useful lives of the property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Management reviews long-lived assets for impairment when circumstances indicate the carrying amount of the asset may not be recoverable. Impairment is recognized if the sum of the undiscounted estimated future cash flows expected to result from the use of the asset is less than the carrying value. When an impairment loss is recognized, the asset's carrying value is reduced to its estimated fair value.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Subsequent Events

The Organization has evaluated subsequent events and has concluded that as of December 7, 2015 the date that the financial statements were available to be issued, there were no significant subsequent events to disclose.

MyPATH

**Notes to the Financial Statements
For the Year Ended June 30, 2015**

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30, 2015:

Furniture and equipment	\$ 15,464
Less accumulated depreciation	<u>(12,274)</u>
Total	<u>\$ 3,190</u>

NOTE 4: COMMITMENTS

Operating Leases

The Organization is party to a lease for office space in San Francisco, California which expires in June 2017 and an equipment lease which expires September 2019.

Future minimum operating lease payments are as follows for the years ended June 30:

2016	\$ 53,248
2017	53,248
2018	2,028
2019	2,028
2020	<u>507</u>
Total	<u>\$ 111,059</u>

Rent for the year ended June 30, 2015 was \$46,952.

NOTE 5: CONTINGENCIES

Compliance with Donor Restrictions

Grant awards require the fulfillment of certain conditions as set forth in the instrument of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization deems this contingency remote since by accepting the grants and their terms, it has accommodated the objectives of the Organization to the provisions of the grants. The Organization's management is of the opinion that the Organization have complied with the terms of all grants.

NOTE 6: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were available as follows as of June 30, 2015:

Savings	\$ 196,175
Credit	86,524
Advocates	<u>40,945</u>
Total	<u>\$ 323,644</u>

MyPATH

Notes to the Financial Statements For the Year Ended June 30, 2015

Temporarily restricted net assets were released from donor restriction by incurring expenses satisfying purposes specified by donors as follows for the year ending June 30, 2015:

Savings	\$ 404,582
Credit	94,332
Advocates	<u>50,605</u>
Total	<u>\$ 549,519</u>

NOTE 7: IN-KIND CONTRIBUTIONS

In-kind contributions consisted of the following for the year ended June 30, 2015:

Web development	\$ 12,500
Legal and other services	15,915
Database customization	15,000
Program materials development	15,000
Conference and travel	<u>2,640</u>
Total	<u>\$ 61,055</u>

NOTE 8: RELATED PARTY TRANSACTIONS

A board member of the Organization was engaged by the Organization to provide certain legal services to the Organization. Related party activity totaled \$9,671 for the year ended June 30, 2015.

NOTE 9: NAME CHANGE

During the year ended June 30, 2015 the Organization filed for and received approval for a name change through the California Secretary of State's office. The Organization was formerly known as Mission SF Community Financial Center. The Organization's new name is MyPath.