

Fresh Youth Initiatives, Inc.

Financial Statements

June 30, 2021

Independent Auditors' Report

The Board of Directors Fresh Youth Initiatives, Inc.

We have audited the accompanying financial statements of Fresh Youth Initiatives, Inc. ("FYI") which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows 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.

Auditors' 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 auditors' 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 Fresh Youth Initiatives, Inc. as of June 30, 2021, 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.

The Board of Directors
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Report on Summarized Comparative Information

We have previously audited Fresh Youth Initiatives, Inc.'s June 30, 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 8, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

PKF O'Connor Davies, LLP

November 18, 2021

Fresh Youth Initiatives, Inc.

Statement of Financial Position
June 30, 2021
(with comparative amounts at June 30, 2020)

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 967,389	\$ 1,243,411
Grants and pledges receivable, net	685,438	585,381
Investments	130,007	113,142
Property and equipment, net	<u>2,514,358</u>	<u>2,628,989</u>
	<u>\$ 4,297,192</u>	<u>\$ 4,570,923</u>
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 14,450	\$ 25,384
Deferred revenue	78,181	68,327
Loan payable	-	454,855
Total Liabilities	<u>92,631</u>	<u>548,566</u>
Net Assets		
Without donor restrictions	3,807,263	3,669,215
With donor restrictions	<u>397,298</u>	<u>353,142</u>
Total Net Assets	<u>4,204,561</u>	<u>4,022,357</u>
	<u>\$ 4,297,192</u>	<u>\$ 4,570,923</u>

See notes to financial statements

Fresh Youth Initiatives, Inc.

Statement of Activities
Year Ended June 30, 2021
(with summarized totals for year ended June 30, 2020)

	2021			2020 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
OPERATING SUPPORT AND REVENUE				
Contributions	\$ 902,965	\$ 267,291	\$ 1,170,256	\$ 1,077,394
Special events, net of direct costs of \$6,000 and \$1,383	102,252	-	102,252	54,119
Government grant revenue	1,734,687	-	1,734,687	1,804,846
Investment return	3,263	24,360	27,623	(13,500)
CARES Act stimulus revenue	454,855	-	454,855	3,990
Net assets released from restriction	247,495	(247,495)	-	-
Total Operating Support and Revenue	<u>3,445,517</u>	<u>44,156</u>	<u>3,489,673</u>	<u>2,926,849</u>
OPERATING EXPENSES				
Program services	2,761,560	-	2,761,560	2,361,077
General and administrative	228,916	-	228,916	187,132
Fundraising	316,993	-	316,993	327,041
Total Operating Expenses	<u>3,307,469</u>	<u>-</u>	<u>3,307,469</u>	<u>2,875,250</u>
Change in Net Assets	138,048	44,156	182,204	51,599
NET ASSETS				
Beginning of year	<u>3,669,215</u>	<u>353,142</u>	<u>4,022,357</u>	<u>3,970,758</u>
End of year	<u>\$ 3,807,263</u>	<u>\$ 397,298</u>	<u>\$ 4,204,561</u>	<u>\$ 4,022,357</u>

Fresh Youth Initiatives, Inc.

Statement of Functional Expenses
Year Ended June 30, 2021
(with summarized totals for year ended June 30, 2020)

	2021										2020
	Program Services						Program Services Total	General and Administrative	Fundraising	Total	Total
	Advantage	Amistad	Compass Explore	Luperon	PS128	On-Site 505					
PERSONNEL COSTS											
Salaries	\$ 50,257	\$ 189,799	\$ 225,138	\$ 614,212	\$ 526,441	\$ 289,909	\$ 1,895,756	\$ 174,286	\$ 216,589	\$ 2,286,631	\$ 2,014,887
Payroll taxes and benefits	8,272	31,208	36,998	100,956	86,593	47,677	311,704	28,688	35,607	375,999	325,337
Total Personnel Costs	58,529	221,007	262,136	715,168	613,034	337,586	2,207,460	202,974	252,196	2,662,630	2,340,224
OTHER THAN PERSONNEL COSTS											
Processing fees	202	764	906	2,471	2,120	1,167	7,630	702	872	9,204	2,577
Professional fees	1,484	5,599	6,662	18,291	17,935	9,153	59,124	5,147	39,551	103,822	116,666
Supplies	804	20,677	10,347	21,807	14,697	12,414	80,746	2,789	3,463	86,998	62,610
Stipends	-	-	-	2,197	-	-	2,197	-	-	2,197	6,689
Postage and printing	115	433	514	1,401	1,340	889	4,692	399	4,340	9,431	1,105
Repairs and maintenance	434	1,639	3,187	5,302	5,361	3,560	19,483	1,507	3,458	24,448	22,175
Travel and conference	75	312	335	2,750	827	431	4,730	259	323	5,312	6,996
Evaluation fees	-	-	-	-	-	-	-	-	-	-	51,200
Food and beverage	4	249	869	3,047	169	53,724	58,062	13	16	58,091	50,175
Activity fees	-	-	-	10,255	1,032	-	11,287	-	-	11,287	17,620
Insurance	847	3,197	3,790	10,343	8,871	4,884	31,932	2,939	3,648	38,519	33,995
Telephone and utilities	678	3,460	4,227	8,350	8,113	4,022	28,850	2,351	2,916	34,117	37,790
Dues and fees	209	428	508	1,854	1,397	880	5,276	393	489	6,158	14,700
Bad debt	-	16,757	-	-	37,178	26,553	80,488	-	-	80,488	-
Bank fees	17	63	74	202	174	96	626	57	71	754	374
Other program expenses	82	709	523	38,087	20,206	471	60,078	285	352	60,715	-
Depreciation	2,625	9,902	11,739	32,032	27,474	15,127	98,899	9,101	11,298	119,298	111,737
Total Expenses	66,105	285,196	305,817	873,557	759,928	470,957	2,761,560	228,916	322,993	3,313,469	2,876,633
Less expenses of direct benefit to donors	-	-	-	-	-	-	-	-	(6,000)	(6,000)	(1,383)
Total Operating Expenses	\$ 66,105	\$ 285,196	\$ 305,817	\$ 873,557	\$ 759,928	\$ 470,957	\$ 2,761,560	\$ 228,916	\$ 316,993	\$ 3,307,469	\$ 2,875,250

Fresh Youth Initiatives, Inc.

Statement of Cash Flows
Year Ended June 30, 2021
(with comparative amounts for year ended June 30, 2020)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 182,204	\$ 51,599
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	119,298	111,737
Forgiveness of Paycheck Protection Program loan	(454,855)	-
Net unrealized and realized (gain) loss on investments	(18,667)	19,390
Discount on grants and pledges receivable	5,209	-
Changes in operating assets and liabilities		
Grants and pledges receivable	(105,266)	(247,997)
Prepaid expenses and deposits	-	9,748
Accounts payable and accrued expenses	(10,934)	14,749
Deferred revenue	9,854	50,752
Net Cash From Operating Activities	(273,157)	9,978
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(24,529)	(28,293)
Proceeds from sales of investments	26,331	30,491
Purchase of equipment	(4,667)	(40,998)
Net Cash From Investing Activities	(2,865)	(38,800)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan payable	-	454,855
Net Change in Cash and Cash Equivalents	(276,022)	426,033
CASH AND CASH EQUIVALENTS		
Beginning of year	1,243,411	817,378
End of year	\$ 967,389	\$ 1,243,411

See notes to financial statements

Fresh Youth Initiatives, Inc.

Notes to Financial Statements
June 30, 2021

1. Organization and Tax Status

Fresh Youth Initiatives, Inc. ("FYI"), is a non-profit organization that is the leading provider of youth development services to low-income, immigrant youth in the New York City communities of Washington Heights and Inwood. FYI's mission is to empower children who have the fewest resources to reach their greatest potential. FYI operates programs at five sites on the west side of Manhattan from 165th to 204th Streets reaching 1,200 children in grades Pre-K through 12. FYI's core literacy, mental health, enrichment, college access and youth development programs prepare participants to succeed in college and the workplace while guiding them through key developmental transitions as well as the challenges of immigration.

FYI's broadest vision is to disrupt the cycle of intergenerational poverty and educational neglect where it persists in Northern Manhattan. What began nearly three decades ago as an organization aimed at teaching young people the importance of civic engagement and volunteerism has grown to a multi-service agency meeting the critical educational and social-emotional needs of some of New York's most vulnerable children and families.

FYI is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code") and has been determined to be a publicly supported organization, not a private foundation under Section 509(a) of the Code.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Net Asset Presentation

The financial statements report amounts separately by class of net assets. Amounts without donor restriction are those currently available for use by FYI. Net assets with donor restrictions are those which are stipulated by donors for specific purposes. When a donor restriction expires, that is, when a stipulated time restriction and/or purpose restriction is accomplished, net assets with donor restrictions are reclassified to without donor restrictions and reported in the statement of activities as net assets released from restrictions. However, when restrictions on donor-restricted contributions are met in the same accounting period in which they are received, such amounts are reported as net assets without donor restrictions. Certain restricted amounts contain donor imposed restrictions to be maintained in perpetuity by FYI.

Fresh Youth Initiatives, Inc.

Notes to Financial Statements
June 30, 2021

2. Summary of Significant Accounting Policies *(continued)*

Cash and Cash Equivalents

Cash and cash equivalents consist principally of demand deposit and money market accounts with maturities of three months or less at the time of purchase.

Fair Value Measurements

FYI follows U.S. GAAP guidance on *Fair Value Measurements* which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist. There are no level 3 investments held at June 30, 2021 and 2020.

Investments Valuation and Investment Income Recognition

Investments are carried at fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the determination of the change in net assets.

Property and Equipment

FYI follows the practice of capitalizing all expenditures for property and equipment with costs in excess of \$1,000. Property and equipment are reported at cost at the date of acquisition or at their fair values at the date of donation. Minor costs of repairs and maintenance are expensed as incurred.

Depreciation is provided using the straight-line method over the estimated useful lives of the assets, which are approximately 39 years for the building, 10 to 39 years for building improvements, and 5 to 10 years for furniture, fixtures, computers and office equipment. Construction-in-progress is transferred to building improvements and depreciated when the construction is substantially complete and the assets are placed into service.

Property and equipment are reviewed for impairment if the use of the asset significantly changes or another indicator of possible impairment is identified. If the carrying amount for the asset is not recoverable, the asset is written down to the fair value. There were no asset impairments for the years ended June 30, 2021 and 2020.

Fresh Youth Initiatives, Inc.

Notes to Financial Statements
June 30, 2021

2. Summary of Significant Accounting Policies (*continued*)

Contributions

Contributions are recorded when received or when an unconditional promise to give is made. Conditional promises to give are recorded when substantially all conditions have been met. Perpetually restricted donations are restricted by donors to be maintained in perpetuity, with only the income from such net assets available for operations. Donor restricted contributions expire by either the passage of time or fulfillment of the purpose restriction. When a restriction expires, donor restricted contributions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Management has concluded that all pledges receivable at June 30, 2021 and 2020 are collectible.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using adjusted risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue.

Government Grant Revenue

Federal, state and other grant awards received for specific purposes are recognized as support and revenue to the extent related expenses are incurred in compliance with the specific grant terms. Unexpended funds are reported as deferred revenue.

Grant revenue is conditional upon the occurrence of allowable expenditures and is recognized as the expenditures are incurred. Amounts received prior to the incurrence of expenditures are recorded as deferred revenue. Amounts expended prior to receipt are recorded as a receivable. Management has concluded that all grants receivable at June 30, 2021 and 2020 are collectible.

Allocation of Expenses

The costs of providing 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. Such allocations are determined by management either in accordance with grant provisions or by the division of salaries.

Accounting for Uncertainty in Income Taxes

FYI recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Management has determined that FYI had no uncertain tax positions that would require financial statement recognition or disclosure. FYI is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to 2018.

Fresh Youth Initiatives, Inc.

Notes to Financial Statements
June 30, 2021

2. Summary of Significant Accounting Policies (continued)

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statement was available to be issued, which date is November 18, 2021, 2021.

3. Grants and Pledges Receivable

Grants and pledges receivable at June 30 are summarized as follows:

	2021	2020
To be paid within one year	\$ 590,647	\$ 585,381
To be paid within two to five years	100,000	-
	690,647	585,381
Discount to present value	(5,209)	-
	\$ 685,438	\$ 585,381

A present value of 2.87% has been calculated using discount factors that approximate the risk and expected timing of future contribution payments.

4. Investments

Fair value of investments measured on a recurring basis at June 30, are as follows:

	2021		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
Exchange traded funds	\$ 57,048	\$ -	\$ 57,048
Domestic equities	52,947	-	52,947
Corporate bonds	-	9,721	9,721
Total Investments, at Fair Value	\$ 109,995	\$ 9,721	119,716
Cash, at cost			10,291
Total Investments			\$ 130,007

Fresh Youth Initiatives, Inc.

Notes to Financial Statements
June 30, 2021

4. Investments (continued)

	2020		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
	Exchange traded funds	\$ 46,747	\$ -
Domestic equities	41,294	-	41,294
Corporate bonds	-	11,405	11,405
Total Investments, at Fair Value	\$ 88,041	\$ 11,405	99,446
Cash, at cost			13,696
Total Investments			\$ 113,142

Total investment return is composed of the following elements for the years ended June 30:

	2021	2020
Interest and dividends	\$ 10,457	\$ 9,852
Realized gain (loss)	184	(6,449)
Unrealized gain (loss)	18,483	(12,941)
Investment fees	(1,501)	(3,962)
	\$ 27,623	\$ (13,500)

5. Property and Equipment

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

	2021	2020
Land	\$ 270,000	\$ 270,000
Building and improvements	3,516,662	3,520,741
Furniture and fixtures	60,751	60,751
Computer and office equipment	195,856	187,110
	4,043,269	4,038,602
Accumulated depreciation	(1,528,911)	(1,409,613)
	\$ 2,514,358	\$ 2,628,989

Fresh Youth Initiatives, Inc.

Notes to Financial Statements
June 30, 2021

6. Paycheck Protection Program Loan Forgiveness

On April 7, 2020, FYI received loan proceeds in the amount of \$454,855 under the Paycheck Protection Program (“PPP Loan”). The PPP Loan, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loan and accrued interest is forgivable after eight or twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels.

On May 28, 2021, the SBA notified FYI that its application of forgiveness of the entire PPP Loan had been accepted and no repayment of interest or principal would be required. Consequently, the entire loan amount of \$454,855 has been reported as CARES Act Stimulus revenue in the accompanying 2021 statement of activities.

7. Retirement Plan

FYI has a 403(b) retirement investment plan (the “Plan”) for eligible employees who met plan requirements. Employer contributions are based on the Plan’s guidelines. For the years ended June 30, 2021 and 2020, there was no expense related to the Plan.

8. Net Assets with Donor Restrictions

Net assets with donor restrictions at June 30, are restricted for the following purposes:

	<u>2021</u>	<u>2020</u>
Time or Purpose Restricted		
Time restricted donations	\$ 267,291	\$ 105,000
Reading zone program	-	75,000
Food relief services	-	35,000
Development support	-	25,000
General operations	7,653	7,495
Deficiency in RAS Foundation Endowment Fund	<u>(27,646)</u>	<u>(44,353)</u>
	247,298	203,142
Held in Perpetuity		
RAS Foundation Endowment Fund	<u>150,000</u>	<u>150,000</u>
	<u>\$ 397,298</u>	<u>\$ 353,142</u>

Fresh Youth Initiatives, Inc.

Notes to Financial Statements
June 30, 2021

8. Net Assets with Donor Restrictions (continued)

Amounts released from restrictions during the years ended June 30, were for the following purposes:

	2021	2020
General - time restricted	\$ 105,000	\$ 50,000
Development support	25,000	100,000
Early intervention for immigrant youth	-	75,000
Reading zone program	75,000	75,000
Food relief services	35,000	5,000
General operations	7,495	7,893
	<u>\$ 247,495</u>	<u>\$ 312,893</u>

9. Endowment

General

FYI's endowment consists of a donor-restricted endowment fund established for the future cash flow needs of the programs. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

During 2010, New York State adopted the Uniform Prudent Management of Institutional Funds Act ("NYPMIFA"). NYPMIFA includes provisions that differ from previous law, including the elimination of the historic dollar value rule with respect to endowment spending, establishment of new standards governing the expenditure and modification of restrictions on endowment funds, and revision of the prudence standard for the management and investment of endowment funds.

Interpretation of Relevant Law

The Board of FYI has interpreted NYPMIFA as requiring the preservation of the value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, FYI classified as net assets held in perpetuity (a) the original value of the gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations of investment returns to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as net assets held in perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by FYI in a manner consistent with the standard of prudence prescribed by NYPMIFA.

Fresh Youth Initiatives, Inc.

Notes to Financial Statements
June 30, 2021

9. Endowment (continued)

Return Objectives, Strategies Employed and Spending Policy

FYI has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that FYI must hold in perpetuity or for a donor-specified period. The primary objective of the endowment is to generate income which would be withdrawn and used to support current year programs. Interest and dividends earned from the endowment investment assets are to be used for general operations of FYI. The remaining investment return would be used to grow the endowment, though growth of the assets is a secondary objective. Interest and dividends earned are distributed annually to FYI for general operations.

Changes in the endowment by type of fund in fiscal year 2021 and 2020 were as follows:

	2021		
	Time or Purpose Restricted	Restricted in Perpetuity	Total
Balance, July 1, 2020	\$ 7,495	\$ 105,647	\$ 113,142
Investment return	7,653	16,707	24,360
Appropriated for expenditure	(7,495)	-	(7,495)
Balance, June 30, 2021	\$ 7,653	\$ 122,354	\$ 130,007

	2020		
	Time or Purpose Restricted	Restricted in Perpetuity	Total
Balance, July 1, 2019	\$ 7,893	\$ 126,837	\$ 134,730
Investment return	7,495	(21,190)	(13,695)
Appropriated for expenditure	(7,893)	-	(7,893)
Balance, June 30, 2020	\$ 7,495	\$ 105,647	\$ 113,142

Funds with Deficiencies

Due to unfavorable market fluctuations, from time to time the fair value of assets associated with individual donor-restricted endowment funds may decline below historic dollar value of the donor's original perpetually restricted contribution. A deficiency of this nature exists with FYI's endowment fund, which has an original gift value of \$150,000 and as of June 30, 2021 and 2020 had a fair value of \$122,354 and \$105,647 and a deficiency of \$27,646 and \$44,353.

Fresh Youth Initiatives, Inc.

Notes to Financial Statements
June 30, 2021

10. Liquidity and Availability

FYI's working capital and cash flows are primarily driven by contributions from individual and corporate donors, and governmental grant revenue. In addition, FYI holds special events throughout the year to provide additional contribution revenue and further their purpose. Grants and pledges receivable are expected to be collected during the normal course of business. At June 30, 2021, FYI has an endowment fund of \$130,007. The purpose of the endowment is to support FYI and its mission over the long-term. The primary investment objectives of the endowment are to provide an annual contribution derived from interest and dividend income for general operations of FYI, with the secondary investment objective being to preserve the real purchasing power of the principal.

The following reflects FYI's financial assets as of June 30, reduced by amounts not available for general use within one year of the statement of financial position date because of donor designations. Amounts not available include restricted contributions for time and amounts held in perpetuity.

	<u>2021</u>	<u>2020</u>
Financial assets:		
Cash and cash equivalents	\$ 967,389	\$ 1,243,411
Grants and pledges receivable, net	685,438	585,381
Investments	<u>130,007</u>	<u>113,142</u>
Total financial assets	<u>1,782,834</u>	<u>1,941,934</u>
Less contractual or donor imposed restricted amounts:		
Restricted by donor with time or purpose restrictions	274,944	247,495
Endowment funds		
Deficiency in RAS Foundation Endowment Fund	(27,646)	(44,353)
RAS Foundation Endowment Fund	<u>150,000</u>	<u>150,000</u>
	<u>397,298</u>	<u>353,142</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 1,385,536</u>	<u>\$ 1,588,792</u>

11. Concentration of Credit Risk

Financial instruments that potentially subject FYI to concentrations of credit risk consist principally of cash and cash equivalents, grants and pledges receivable, and investments. FYI maintains cash and cash equivalent balances with large, commercial banking institutions with limited insurance provided by the Federal Deposit Insurance Corporation ("FDIC"). At times cash balances may be in excess of federally insured limits. FYI has not experienced any losses in such accounts. Grants and pledges receivable are expected to be collected in the normal course of business. The investment portfolio is diversified by type of investments and industry concentrations so that no individual investment or group of investments represents a significant concentration of market risk.

Fresh Youth Initiatives, Inc.

Notes to Financial Statements
June 30, 2021

12. Risks and Uncertainties

The ongoing Coronavirus pandemic has resulted in substantial volatility in the global economy. While management has implemented measures to mitigate the impact of the pandemic, the extent to which FYI's operations are impacted will depend on future developments.

As a result, management cannot reasonably estimate the overall impact of the Coronavirus pandemic to FYI's future results of operations, cash flows, or financial condition.

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