

**HISPANIC MINISTRY CENTER  
DBA URBAN YOUTH WORKERS  
INSTITUTE**

FINANCIAL STATEMENTS  
AND  
SUPPLEMENTARY INFORMATION  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2018 & 2017

# MAXSON & ASSOCIATES

ACCOUNTANCY CORPORATION

*Financial solutions  
you can count on*

## Independent Auditors' Report

To the Board of Trustees  
Hispanic Ministry Center  
DBA Urban Youth Workers Institute  
Santa Ana, California

We have audited the accompanying financial statements of the Hispanic Ministry Center DBA Urban Youth Workers Institute (a nonprofit organization), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities and cash flows 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 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 statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks 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 the Hispanic Ministry Center DBA Urban Youth Workers Institute as of December 31, 2018 and 2017, and changes in its net assets and its cash flows for years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The statements of functional expenses and statements of income by activity on pages 8 - 11 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Orange, California  
July 18, 2019

Handwritten signature in cursive script that reads "Kaplan & Associates CPA's".

**Hispanic Ministry Center**  
**DBA Urban Youth Workers Institute**

Statements of Financial Position  
December 31, 2018 & 2017

**ASSETS**

	12/31/2018	12/31/2017
<b>Current Assets</b>		
Cash & Cash Equivalents - Note A, B	\$ 706,546	\$ 526,559
Investments - Note B, C	253,643	256,775
Postal Permit	173	1,419
Contributions Receivable	-	113,600
Prepaid Expenses	18,719	12,906
<b>Total Current Assets</b>	<b>979,081</b>	<b>911,259</b>
<b>Property, Plant &amp; Equipment - Note A</b>		
Transportation Equipment	26,090	26,090
Furniture & Fixtures	8,113	8,113
Computer Equipment	55,544	55,544
<b>Total</b>	<b>89,747</b>	<b>89,747</b>
Less: Accumulated Depreciation	(77,051)	(65,692)
<b>Property &amp; Equipment - Net</b>	<b>12,696</b>	<b>24,055</b>
 <b>TOTAL ASSETS</b>	 <b>\$ 991,777</b>	 <b>\$ 935,314</b>

**LIABILITIES & NET ASSETS**

<b>Current Liabilities</b>		
Accounts Payable	\$ 2,103	\$ 20,783
Credit Cards Payable	16,776	10,005
Payroll Liabilities	603	-
Accrued Vacation - Note A	25,408	13,729
<b>Total Current Liabilities</b>	<b>44,890</b>	<b>44,517</b>
 <b>Long Term Debt</b>	 <b>-</b>	 <b>-</b>
 <b>Commitments - Note E</b>	 <b>-</b>	 <b>-</b>
<b>Total Liabilities</b>	<b>44,890</b>	<b>44,517</b>
 <b>Net Assets</b>		
Unrestricted	946,887	777,197
Temporarily Restricted	-	113,600
Permanently Restricted	-	-
<b>Subtotal</b>	<b>946,887</b>	<b>890,797</b>
 <b>Total Net Assets</b>	 <b>946,887</b>	 <b>890,797</b>
 <b>TOTAL LIABILITIES &amp; NET ASSETS</b>	 <b>\$ 991,777</b>	 <b>\$ 935,314</b>

See Accompanying Notes.

**Hispanic Ministry Center**  
**DBA Urban Youth Workers Institute**

Statements of Activities  
For the Year Ended December 31, 2018 & 2017

	12/31/2018	12/31/2017
<b>Unrestricted Net Assets</b>		
<b>Unrestricted Revenues</b>		
Contributions	\$ 1,308,106	\$ 910,139
Program Service Fees & Registration	153,657	140,553
Program Housing	37,405	22,603
Product Sales/Booth Sponsorship	24,023	29,489
Fundraising Event Donations	95,643	-
Investment Income	(1,975)	11,182
<b>Total Unrestricted Revenue</b>	<b>1,616,859</b>	<b>1,113,966</b>
Net assets released from restrictions	-	113,600
Total Unrestricted Revenues, Gains & Other Support	1,616,859	1,227,566
<b>Expenses</b>		
<b>Program Services</b>		
National Conference	591,835	561,380
Coaching & Mentoring	99,237	71,722
Social Engagement	320,345	360,013
Training & Certification	281,013	386,386
<b>Supporting Services</b>		
General & Administrative	16,137	23,685
Fundraising	252,200	181,104
<b>Total Expenses</b>	<b>1,560,767</b>	<b>1,584,290</b>
<b>INCR (DECR) IN UNRESTRICTED NET ASSETS</b>	56,092	(356,724)
<b>Temporarily Restricted Net Assets</b>		
Contributions	-	113,600
Net Assets released from restrictions	-	(113,600)
<b>Increase(Decrease) in Temporarily Restricted Net Assets</b>	-	-
<b>Permanently Restricted Net Assets</b>	-	-
<b>INCREASE (DECREASE) IN NET ASSETS</b>	56,092	(356,724)
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>890,797</b>	<b>1,247,521</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 946,889</b>	<b>\$ 890,797</b>

See Accompanying Notes.

**Hispanic Ministry Center**  
**DBA Urban Youth Workers Institute**

Statements of Cash Flows  
For the Year Ended December 31, 2018 & 2017

	12/31/2018	12/31/2017
<b>Cash Flows From Operating Activities:</b>		
Reconciliation of Net Increase to Net Cash Provided (Used) By Operating Activities:		
Increase (Decrease) in Net Assets	\$ 56,092	\$ (356,724)
Adjustments to Reconcile Net Increase (Decrease) to Net Cash Provided (Used) By Operating Activities		
Depreciation - Note A	11,359	12,599
Donated Real Property included in Contributions	-	390,000
(Increase) Decrease in Assets:		
Contributions Receivable	113,600	-
USPS Postal Permit	1,246	418
Prepaid Expenses	(5,813)	(2,694)
Increase (Decrease) in Liabilities:		
Accounts Payable	(18,680)	18,039
Credit Cards Payable	6,771	5,062
Accrued Vacation - Note A	11,679	(4,833)
Accrued Salary	607	(58,000)
Liability related to Contributed Real Property	-	(155,000)
Net Cash Provided (Used) By Operating Activities	176,861	(151,133)
<b>Cash Flows From Investing Activities:</b>		
Investments - Note C	3,126	(10,142)
Fixed Assets Acquired	-	-
Proceeds from the Sale of Assets	-	-
Net Cash Provided (Used) by Investing Activities	3,126	(10,142)
<b>Cash Flows From Financing Activities:</b>		
Net Increase (Decrease) in Cash	179,987	(161,275)
Cash - Beginning of Year	526,559	687,834
Cash - End of Year	\$ 706,546	526,559
<b>Supplemental Disclosures:</b>		
Interest Paid	\$ -	\$ -
Income Tax Paid	\$ -	\$ -

See Accompanying Notes.

# Hispanic Ministry Center DBA Urban Youth Workers Institute

Notes to Financial Statements  
December 31, 2018 & 2017

## NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Organization and Operations

The Hispanic Ministry Center (HMC), doing business as Urban Youth Workers Institute (UYWI) was originally established in 1993 as a division of the National Institute of Youth Ministry, and was subsequently incorporated on February 7, 1997. UYWI exists to strengthen a new generation of global urban leaders for transformational ministry. The organization's vision is to build transformational relationships with urban leaders who will in turn reach and disciple urban youth. HMC dba as UYWI is a non-profit charitable organization established under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the Revenue and Taxation Code of the State of California.

### *Urban Youth Workers Institute*

We exist to power the urban youth worker so that urban youth have the leaders and role models they need to live transformed lives by the Gospel of Jesus Christ.

The vision of UYWI is to engage 75,000 urban youth in life-changing discipleship with local youth workers by 2020.

Programs in meeting these goals:

- National Conference
- Coaching & Mentoring
- Social Engagement
  - UYWI Store
  - UYWI App
- Training & Resource Development
  - Regional Training
  - Discipleship Toolkit
- Certification

### Basis of Accounting

The Company prepares its financial statements on the accrual basis of accounting. As such, revenues are recognized when earned and expenses are recognized when incurred. This basis of accounting conforms to generally accepted accounting principles.

### Basis of Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: Unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The temporarily restricted funds of \$113,600 in 2017 were released in 2018. There are no temporarily restricted funds in 2018.

# Hispanic Ministry Center

## DBA Urban Youth Workers Institute

Notes to Financial Statements  
December 31, 2018 & 2017

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unrestricted net assets are resources available to support operations. The only limits on the use of unrestricted net assets are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Temporarily restricted net assets are resources that are restricted by a donor for use for a particular purpose or in a particular future period. The Organization's unspent contributions are reported in this class if the donor limited their use, as are promised contributions that are not yet due. The unspent appreciation of the Organization's donor-restricted endowment funds is also reported as temporarily restricted net assets.

Permanently restricted net assets are resources whose use is limited by donor-imposed restrictions that neither expire by being used in accordance with a donor's restriction nor by the passage of time. The portion of the Organization's donor-restricted endowment funds that the Organization is committed to maintaining in perpetuity are classified in this net asset class, as is the Organization's beneficial interest in a perpetual charitable trust held by a bank as trustee.

#### Cash and Cash Equivalents

The Company considers all short-term investments with an original maturity of three months or less to be cash equivalents.

#### Contributed Services

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific ministries. These services are not recognized as contributions in the financial statements since the recognition criteria were not met.

#### Property and Equipment

Property and equipment are recorded at cost. Depreciation is provided using the straight line method for financial reporting purposes based on the following estimated useful lives:

Transportation Equipment	5	years
Computer Equipment	5-7	years
Furniture & Office Equipment	5-7	years

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

Depreciation expense was \$11,359 and \$12,599 for the year ended December 31, 2018 and 2017.



# Hispanic Ministry Center

## DBA Urban Youth Workers Institute

Notes to Financial Statements  
December 31, 2018 & 2017

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Compensated Absences

Employees of the Organization are entitled to paid vacations and other time off depending on job classifications, length of service and other factors. As of December 31, 2018 and 2017, compensated absences payable were \$25,408 and \$13,729 respectively.

#### 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 results could differ from those estimates.

#### Revenue Recognition

Contributions received are recorded as increases in unrestricted and temporarily restricted net assets depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are classified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

#### Income Taxes

The Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501 (c) (3) and Section 23701(d) of the Revenue and Taxation Code of contribution deduction under Section 170(b)(1)(A) and has been classified as organization other than a private foundation under Section 509(a)(2).

### NOTE B - FINANCIAL INSTRUMENTS

The Organization maintains its cash balances at several financial institutions. In 2018 and 2017, cash balances maintained by the Organization at ECCU were insured by the National Credit Union Administration (NCUA) up to \$250,000. In 2018, the cash balance of the bonus checking and money market was \$453,142 over the insured limit. CD balances held at Merrill Lynch are invested in several CD programs that are insured by the Federal Deposit Insurance Corporation (FDIC).

### NOTE C - MARKETABLE SECURITIES AND FAIR VALUE MEASUREMENTS

The Organization's investments at December 31, 2018 and 2017 consist of mutual funds held in trust at American Funds Service Company and CD's held at Merrill Lynch recorded at fair market value as summarized below. Fair market value has been determined using Level 1 inputs.

Marketable securities are classified as available-for-sale and are presented in the Statement of Financial Position at fair value. Unrealized gains and losses on these securities are included as income or loss in the Statement of Activities.

At December 31, 2018 and 2017, marketable securities consisted of the following:

**Hispanic Ministry Center**  
**DBA Urban Youth Workers Institute**

Notes to Financial Statements  
December 31, 2018 & 2017

**NOTE C - MARKETABLE SECURITIES AND FAIR VALUE MEASUREMENTS (CONTINUED)**

12/31/2018	<u>Fair Value</u>	<u>Cost</u>	<u>Unrealized Appreciation (Decline) in Value</u>
<b>Short-term Investments</b>			
Certificates of Deposit	200,391	200,391	-
<b>Mutual Funds</b>			
Equity Securities	53,252	50,510	2,742
<b>Total</b>	<u>253,643</u>	<u>250,901</u>	<u>2,742</u>
12/31/2017	<u>Fair Value</u>	<u>Cost</u>	<u>Unrealized Appreciation (Decline) in Value</u>
<b>Short-term Investments</b>			
Certificates of Deposit	200,189	200,189	-
<b>Mutual Funds</b>			
Equity Securities	56,586	45,848	10,738
<b>Total</b>	<u>256,775</u>	<u>246,037</u>	<u>10,738</u>

Accounting principles general accepted in the United States of America establish a framework for measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

(i) Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

(ii) Level 2 - Inputs to the valuation methodology include:

- \* quoted prices for similar or liabilities in inactive markets;
- \* quoted prices for identical or similar assets or liabilities in inactive markets;
- \* inputs other than quoted prices that are observable for the asset or liability;
- \* inputs that are derived principally from or corroborated by observable market data by correlation or by other means

(i) Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use unobservable inputs.

Foreign taxes of \$3 were paid with respect to these assets in 2018.

# Hispanic Ministry Center DBA Urban Youth Workers Institute

Notes to Financial Statements  
December 31, 2018 & 2017

## NOTE C - FAIR VALUE MEASUREMENTS (CONTINUED)

### Measured using Level 1 fair value measures:

<u>Description</u>	<u>12/31/2018</u>	<u>12/31/2017</u>
<i>Merrill Lynch CD's</i>		
Bank Deposit Program	200,298	200,096
ISA Bk of America NA	<u>93</u>	<u>93</u>
Total CD's	200,391	200,189
 <i>Mutual Funds - American Funds</i>		
Fundamental Investors - A	37,453	40,101
American Balanced Fund - A	12,338	12,682
Global Growth Portfolio - A	<u>3,461</u>	<u>3,803</u>
Total Mutual Funds	53,252	56,586
 Total Level 1 Investments	 <u>\$ 253,643</u>	 <u>\$ 256,775</u>

### Measured using Level 2 fair value measures:

None - -

### Measured using Level 3 fair value measures:

None - -

Total investments measured at fair value \$ 253,643 \$ 256,775

## NOTE D - FUNCTIONAL ALLOCATION OF EXPENSES

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

## NOTE E - COMMITMENTS

The Organization rents office space on a month-to-month basis. Rents paid for the years ended December 31, 2018 and 2017 were \$4,800 and \$4,400, respectively.

## NOTE F - DEFINED CONTRIBUTION PLAN

The Organization has a defined contribution plan (the Plan) under IRC §403(k) covering all employees with at least 1000 hours of annual service who agree to make contributions to the Plan. Employees are eligible at age 18 after 2 months of employment. The Organization had been contributing to the Plan up to 6% of all participant's compensation.

During 2018, the organization contributed \$5,000. The Organization did not contribute to the Plan in 2017.

**Hispanic Ministry Center**  
**DBA Urban Youth Workers Institute**

Notes to Financial Statements  
December 31, 2018 & 2017

**NOTE H - SUBSEQUENT EVENTS**

There were no events or transactions during the period beginning with the Organization's year end, December 31, 2018, and ending with the date of issuance of these financial statements, July 18, 2019, that would have a material impact on the Organization's assets, liabilities, equity, cash flow, or results of operations. Management has evaluated subsequent events through July 18, 2019, the date the financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**

# Hispanic Ministry Center DBA Urban Youth Workers Institute

## Statements of Income by Activity For the Year Ended December 31, 2018

	Unrestricted & Temp Restricted	National Conference	Coaching & Mentoring	Social Engagement	Training & Certification	Supporting Services		Total
						General & Administrative	Fundraising	
<b>Support</b>								
Individual Donations	\$ 271,987	\$ 1,000	\$ -	\$ -	\$ 1,600	\$ -	\$ -	\$ 274,587
Church Donations	98,546	-	-	-	-	-	-	98,546
Foundation Donations	696,473	40,000	30,000	17,000	145,500	-	-	928,973
Corporate Donations	6,000	-	-	-	-	-	-	6,000
Strategic Programs Revenue	-	124,276	-	-	66,786	-	-	191,062
Product Sales/Booth Sponsorship	-	22,967	-	24	1,032	-	-	24,023
Fundraiser Event Donations	200	-	-	-	-	-	95,443	95,643
Investment Income	(1,975)	-	-	-	-	-	-	(1,975)
<b>Total Support</b>	<b>1,071,231</b>	<b>188,243</b>	<b>30,000</b>	<b>17,024</b>	<b>214,918</b>	<b>-</b>	<b>95,443</b>	<b>1,616,859</b>
<b>Compensation &amp; Related Expenses</b>								
Salaries	-	146,069	41,197	79,433	71,360	-	-	338,059
Housing Allowance	-	52,385	15,106	28,697	26,288	-	-	122,476
Payroll Taxes	-	9,843	2,954	5,465	5,183	-	\$ -	23,445
Health Insurance	-	26,480	7,384	14,346	12,758	-	-	60,968
Employee Benefits	-	3,105	843	1,668	1,449	-	-	7,065
<b>Total Compensation &amp; Related Exp.</b>	<b>-</b>	<b>237,882</b>	<b>67,484</b>	<b>129,609</b>	<b>117,038</b>	<b>-</b>	<b>-</b>	<b>552,013</b>
<b>Program Expenses</b>								
<b>Strategic Programs &amp; Marketing</b>								
Program Supplies/Resources/Fees	-	13,615	954	26,468	23,765	-	-	64,802
Event Expenses	-	23,425	-	198	9,338	-	-	32,961
Event Production	-	61,560	-	8,900	5,720	-	-	76,180
Scholarship/Registration Reimbursement	-	1,443	148	3,259	19,908	-	-	24,758
Honorariums	-	59,710	1,900	5,675	26,380	-	-	93,665
Marketing	-	13,035	231	2,210	1,414	-	-	16,890
<b>General Program Expenses</b>								
Travel/Transportation/Housing	-	77,671	6,557	2,544	21,784	-	-	108,556
Networking	-	317	670	30	416	-	-	1,433
Meals	-	23,075	3,180	708	12,676	-	-	39,639
Contract Labor/Consulting	-	53,203	9,352	125,152	29,269	-	-	216,976
<b>Total Program Expenses</b>	<b>-</b>	<b>327,054</b>	<b>22,992</b>	<b>175,144</b>	<b>150,670</b>	<b>-</b>	<b>-</b>	<b>675,860</b>
<b>Management Expenses</b>								
Travel, Meal & Transportation	-	2,060	1,299	887	450	-	1,173	5,869
General Expense	-	138	34	73	58	-	75	378
Telephone	-	1,718	431	900	726	-	943	4,718
Rent/Maintenance/Utilities	-	3,302	749	1,563	1,262	-	1,718	8,594
Postage/Office Supplies	-	1,603	372	776	626	-	844	4,221
Information Technology/Website	-	3,988	986	2,899	1,662	-	2,384	11,919
Finance & Accounting	-	2,474	621	1,296	1,046	-	1,359	6,796
Bank Service Charges	-	460	115	241	194	-	253	1,263
Depreciation Expense	-	1,822	1,809	1,818	3,390	-	2,210	11,049
Insurance Expense	-	5,315	1,334	2,786	2,249	-	2,921	14,605
Marketing	-	379	95	519	161	-	289	1,443
Miscellaneous Expenses	-	424	106	220	178	-	232	1,160
Human Resource Expenses	-	2,089	490	1,023	826	-	1,107	5,535
Board of Directors Expense	-	1,127	322	591	477	-	629	3,146
Fundraising Expenses	-	-	-	-	-	-	252,200	252,200
<b>Total Management Expenses</b>	<b>-</b>	<b>26,899</b>	<b>8,763</b>	<b>15,592</b>	<b>13,305</b>	<b>-</b>	<b>16,137</b>	<b>332,896</b>
<b>TOTAL EXPENSES</b>	<b>-</b>	<b>591,835</b>	<b>99,239</b>	<b>320,345</b>	<b>281,013</b>	<b>-</b>	<b>16,137</b>	<b>1,560,769</b>
<b>INCREASE (DECREASE) IN</b>								
<b>NET ASSETS</b>	<b>\$ 1,071,231</b>	<b>\$ (403,592)</b>	<b>\$ (69,239)</b>	<b>\$ (303,321)</b>	<b>\$ (66,095)</b>	<b>\$ -</b>	<b>\$ (156,757)</b>	<b>\$ 56,090</b>

See Accompanying Notes.

**Hispanic Ministry Center**  
**DBA Urban Youth Workers Institute**  
 Statements of Income by Activity  
 For the Year Ended December 31, 2017

	Unrestricted & Temp Restricted	National Conference	Coaching & Mentoring	Social Engagement	Training & Certification	Supporting Services		Total
						General & Administrative	Fundraising	
<b>Support</b>								
Individual Donations	\$ 353,137	5,150	-	36,500	57,201	-	\$ -	\$ 451,988
Church Donations	29,596	2,500	-	-	1,500	-	-	33,596
Foundation Donations	321,050	10,000	-	40,000	156,000	-	-	527,050
Corporate Donations	10,105	-	-	-	1,000	-	-	11,105
Strategic Programs Registration	(288)	86,917	-	-	53,924	-	-	140,553
Program Housing	-	22,603	-	-	-	-	-	22,603
Product Sales/Booth Sponsorship	-	27,388	-	2,101	-	-	-	29,489
Investment Income	11,182	-	-	-	-	-	-	11,182
Total Support	724,782	154,558	-	78,601	269,625	-	-	1,227,566
<b>Compensation &amp; Related Expenses</b>								
Salaries	-	162,170	29,538	89,773	82,533	-	-	364,014
Housing Allowance	-	58,522	10,659	32,396	29,783	-	-	131,360
Payroll Taxes	-	10,249	1,867	5,674	5,216	-	-	23,006
Health Insurance	-	30,172	5,496	16,702	15,355	-	-	67,725
Employee Benefits	-	4,262	776	2,359	2,169	-	-	9,566
Consultants	-	20,255	3,689	11,212	10,308	-	-	45,464
Total Compensation & Related Exp.	-	285,630	52,025	158,116	145,364	-	-	641,135
<b>Program Expenses</b>								
Strategic Programs & Marketing	-	13,547	1,858	39,857	32,161	-	-	87,423
Program Supplies & Resources	-	96,638	1,054	180	17,673	-	-	115,545
Event Expenses	-	1,022	1	-	4,065	-	-	5,088
Event Production	-	717	1,171	397	24,299	-	-	26,584
Scholarship/Registration Reimbursement	-	61,575	900	10,825	54,540	-	-	127,840
Honorariums	-	4,668	167	45,835	1,241	-	-	51,911
Marketing	-	-	-	-	-	-	-	-
General Program Expenses	-	41,026	5,777	2,190	53,453	-	-	102,446
Travel & Transportation	-	1,370	2,074	682	2,343	-	-	6,469
Networking	-	7,986	160	184	6,247	-	-	14,577
Meals	-	-	-	-	-	-	-	-
Contract Labor/Consulting	-	11,350	-	81,850	26,740	-	-	119,940
Program Housing	-	-	-	-	-	-	-	-
Total Program Expenses	-	239,899	13,162	182,000	222,762	-	-	657,823
<b>Management Expenses</b>								
Travel, Meal & Transportation	-	1,380	251	766	703	-	758	3,858
General Expense	-	786	143	436	400	-	432	2,197
Staff Member Development	-	899	164	499	458	-	494	2,514
Benevolence	-	359	65	199	183	-	197	1,003
Telephone & Internet	-	744	136	413	379	-	409	2,081
Rent & Maintenance	-	2,897	492	1,497	1,374	-	1,481	7,541
Office & Postage Expense	-	4,149	756	2,303	2,113	-	2,278	11,599
Information Technology/Website	-	5,582	1,018	3,098	2,843	-	3,065	15,606
Bank Service Charges	-	798	145	443	406	-	438	2,230
Depreciation Expense	-	3,901	711	2,165	1,987	-	2,142	10,906
Insurance Expense	-	9,460	1,725	5,250	4,819	-	1,844	23,098
Miscellaneous Expenses	-	(209)	(38)	(116)	(107)	-	(115)	(585)
Donated Property	-	3,489	636	1,936	1,777	-	1,916	9,754
Human Resource Expenses	-	1,671	305	927	851	-	917	4,671
Board of Directors Expense	-	145	26	81	74	-	79	405
Gain/Loss on Assets	-	-	-	-	-	-	7,350	7,350
Fundraising Expenses	-	-	-	-	-	-	181,104	181,104
Total Management Expenses	-	35,851	6,535	19,897	18,260	-	23,685	285,332
<b>TOTAL EXPENSES</b>	-	561,380	71,722	360,013	386,386	-	181,104	1,584,290
<b>INCREASE (DECREASE) IN</b>								
NET ASSETS	\$ 724,782	\$ (406,822)	\$ (71,722)	\$ (281,412)	\$ (116,761)	\$ (23,685)	\$ (181,104)	\$ (356,724)

**Hispanic Ministry Center**  
**DBA Urban Youth Workers Institute**  
 Statement of Functional Expenses  
 For the Year Ended December 31, 2018

	National Conference	Coaching & Mentoring	Social Engagement	Training & Certification	Supporting Services		Total
					Administrative	Fundraising	
<b>Compensation &amp; Related Expenses</b>							
Salaries	\$ 146,069	41,197	79,433	71,360	-	-	338,059
Housing Allowance	52,385	15,106	28,697	26,288	-	-	122,476
Payroll Taxes	9,843	2,954	5,465	5,183	-	-	23,445
Health Insurance	26,480	7,384	14,346	12,758	-	-	60,968
Employee Benefits	3,105	843	1,668	1,449	-	-	7,065
Total Compensation & Related Exp.	237,882	67,484	129,609	117,038	-	-	552,013
<b>Program Expenses</b>							
Strategic Programs & Marketing							
Program Supplies/Resources/Fees	13,615	954	26,468	23,765	-	-	64,802
Event Expenses	23,425	-	198	9,338	-	-	32,961
Event Production	61,560	-	8,900	5,720	-	-	76,180
Scholarship/Registration Reimburse	1,443	148	3,259	19,908	-	-	24,758
Honorariums	59,710	1,900	5,675	26,380	-	-	93,665
Marketing	13,035	231	2,210	1,414	-	-	16,890
General Program Expenses							
Travel/Transportation/Housing	77,671	6,557	2,544	21,784	-	-	108,556
Networking	317	670	30	416	-	-	1,433
Meals	23,075	3,180	708	12,676	-	-	39,639
Contract Labor/Consulting	53,203	9,352	125,152	29,269	-	-	216,976
Total Program Expenses	327,054	22,992	175,144	150,670	-	-	675,860
<b>Management Expenses</b>							
Travel, Meal & Transportation	2,060	1,299	887	450	1,173.00	-	5,869
General Expense	138	34	73	58	75.00	-	378
Telephone	1,718	431	900	726	943.00	-	4,718
Rent/Maintenance/Utilities	3,302	749	1,563	1,262	1,718.00	-	8,594
Postage/Office Supplies	1,603	372	776	626	844.00	-	4,221
Information Technology/Website	3,988	986	2,899	1,662	2,384.00	-	11,919
Finance & Accounting	2,474	621	1,296	1,046	1,359.00	-	6,796
Bank Service Charges	460	115	241	194	253.00	-	1,263
Depreciation Expense	1,822	1,809	1,818	3,390	2,210.00	-	11,049
Insurance Expense	5,315	1,334	2,786	2,249	2,921.00	-	14,605
Marketing	379	95	519	161	289.00	-	1,443
Miscellaneous Expenses	424	106	220	178	232.00	-	1,160
Human Resource Expenses	2,089	490	1,023	826	1,107.00	-	5,535
Board of Directors Expense	1,127	322	591	477	629.00	-	3,146
Fundraising Expenses	-	-	-	-	-	252,200	252,200
Total Management Expenses	26,899	8,763	15,592	13,305	16,137.00	252,200	332,896
<b>TOTAL EXPENSES</b>	\$ 591,835	\$ 99,239	\$ 320,345	\$ 281,013	\$ 16,137.00	\$ 252,200	\$ 1,560,769



**Hispanic Ministry Center**  
**DBA Urban Youth Workers Institute**  
 Statement of Functional Expenses  
 For the Year Ended December 31, 2017

	National Conference	Coaching & Mentoring	Social Engagement	Training & Certification	Supporting Services		Total
					General & Administrative	Fundraising	
<b>Compensation &amp; Related Expenses</b>							
Salaries	\$ 162,170	29,538	89,773	82,533	-	\$ -	364,014
Housing Allowance	58,522	10,659	32,396	29,783	-	-	131,360
Payroll Taxes	10,249	1,867	5,674	5,216	-	-	23,006
Health Insurance	30,172	5,496	16,702	15,355	-	-	67,725
Employee Benefits	20,255	3,689	11,212	10,308	-	-	45,464
Total Compensation & Related Exp.	285,630	52,025	158,116	145,364	-	-	641,135
<b>Program Expenses</b>							
Strategic Programs & Marketing							
Program Supplies & Resources	13,547	1,858	39,857	32,161	-	-	87,423
Event Expenses	96,638	1,054	180	17,673	-	-	115,545
Event Production	1,022	1	-	4,065	-	-	5,088
Scholarship/Registration Reimburse	717	1,171	397	24,299	-	-	26,584
Honorariums	61,575	900	10,825	54,540	-	-	127,840
Marketing	4,868	167	45,835	1,241	-	-	51,911
General Program Expenses							
Travel & Transportation	41,026	5,777	2,190	53,453	-	-	102,446
Networking	1,370	2,074	682	2,343	-	-	6,469
Meals	7,986	160	184	6,247	-	-	14,577
Contract Labor/Consulting	11,350	-	81,850	26,740	-	-	119,940
Program Housing	-	-	-	-	-	-	-
Total Program Expenses	239,899	13,162	182,000	222,762	-	-	657,823
<b>Management Expenses</b>							
Travel, Meal & Transportation	1,380	251	766	703	-	-	3,858
General Expense	786	143	436	400	-	-	2,197
Staff Member Development	899	164	499	458	-	-	2,514
Benevolence	359	65	199	183	-	-	1,003
Telephone & Internet	744	136	413	379	-	-	2,081
Rent & Maintenance	2,697	492	1,497	1,374	-	-	7,541
Office & Postage Expense	4,149	756	2,303	2,113	-	-	11,599
Information Technology/Website	5,582	1,018	3,098	2,843	-	-	15,606
Bank Service Charges	798	145	443	406	-	-	2,230
Depreciation Expense	3,901	711	2,165	1,987	-	-	10,906
Insurance Expense	9,460	1,725	5,250	4,819	-	-	23,098
Miscellaneous Expenses	(209)	(38)	(116)	(107)	-	-	(585)
Donated Property	3,489	636	1,936	1,777	-	-	9,754
Human Resource Expenses	1,671	305	927	851	-	-	4,671
Board of Director's Expense	145	26	81	74	-	-	405
Gain/Loss on Assets	-	-	-	-	-	-	7,350
Fundraising Expenses	-	-	-	-	-	181,104	181,104
Total Management Expenses	35,851	6,535	19,897	18,260	23,685	181,104	285,332
<b>TOTAL EXPENSES</b>	\$ 561,380	\$ 71,722	\$ 360,013	\$ 386,386	\$ 23,685	\$ 181,104	\$ 1,584,290

# MAXSON & ASSOCIATES

ACCOUNTANCY CORPORATION

*Financial solutions  
you can count on*

Hispanic Ministry Center  
DBA UYWI  
Santa Ana, CA 92806

In planning and performing our audit of the financial statements of the Hispanic Ministry Center DBA Urban Youth Workers Institute for the year ended December 31, 2018, we considered the organizations internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. This letter summarizes our comments and suggestions concerning those matters. This letter does not affect our report dated July 18, 2019, on the financial statements of the Hispanic Ministry Center DBA Urban Youth Workers Institute.

1. **Fraud Attitudes/Rationalizations** – As a result of Sarbanes-Oxley, auditors now consider fraud upon performing financial statement audits. Most white collar fraud involves a rationalization on the part of the perpetrator to justify the act of fraud. Fraud is defined as “criminal deception intended to financially benefit the deceiver.” Management should communicate in no uncertain terms that fraud of any kind is not tolerated within the organization.

We will review the status of your responses to these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing recommendations.

Orange, California  
July 18, 2019

*Maxson & Associates CPAs*