

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

FINANCIAL STATEMENTS

**YEARS ENDED DECEMBER 31, 2024 (REVIEWED)
AND 2023 (AUDITED)**



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**HISPANIC MINISTRY CENTER DBA URBAN YOUTH WORKERS INSTITUTE
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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
Hispanic Ministry Center dba Urban Youth Workers Institute
Santa Ana, California

We have reviewed the accompanying financial statements of Hispanic Ministry Center dba Urban Youth Workers Institute, which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Hispanic Ministry Center dba Urban Youth Workers Institute and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying 2024 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Report on 2023 Financial Statements

The 2023 financial statements were audited by us, and we expressed an unmodified opinion on them in our report dated November 20, 2024. We have not performed auditing procedures since that date.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Irvine, California
June 25, 2025

HISPANIC MINISTRY CENTER DBA URBAN YOUTH WORKERS INSTITUTE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024 (REVIEWED) AND 2023 (AUDITED)

	2024 (Reviewed)	2023 (Audited)
ASSETS		
Cash and Cash Equivalents	\$ 705,348	\$ 1,114,608
Investments	116,288	96,268
Accounts Receivable	2,594	2,882
Interest Receivable	3,014	3,246
Prepaid Expenses	10,494	8,247
Right-of-Use Assets - Operating	521,897	577,363
Property and Equipment, Net	10,415	11,937
Note Receivable - Related Party	229,646	247,333
Total Assets	<u><u>\$ 1,599,696</u></u>	<u><u>\$ 2,061,884</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 12,649	\$ 34,628
Accrued Liabilities	-	14,549
Operating Lease Liabilities	536,968	584,443
Note Payable - Related Party	105,000	210,000
Total Liabilities	<u><u>654,617</u></u>	<u><u>843,620</u></u>
NET ASSETS		
Without Donor Restrictions	(118,196)	(19,588)
With Donor Restrictions	1,063,275	1,237,852
Total Net Assets	<u><u>945,079</u></u>	<u><u>1,218,264</u></u>
Total Liabilities and Net Assets	<u><u>\$ 1,599,696</u></u>	<u><u>\$ 2,061,884</u></u>

See accompanying Notes to Financial Statements.

HISPANIC MINISTRY CENTER DBA URBAN YOUTH WORKERS INSTITUTE
STATEMENT OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2024 (REVIEWED) AND 2023 (AUDITED)

	2024 (Reviewed)			2023 (Audited)		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES						
Revenues and Other Support:						
Contributions	\$ 709,944	\$ 621,650	\$ 1,331,594	\$ 550,744	\$ 379,360	\$ 930,104
Program Fees	157,063	-	157,063	55,483	-	55,483
Investment Income	39,997	-	39,997	45,581	-	45,581
Interest Income	5,313	-	5,313	5,011	-	5,011
Net Assets Released from Restriction	796,227	(796,227)	-	742,806	(742,806)	-
Total Support and Revenues	1,708,544	(174,577)	1,533,967	1,399,625	(363,446)	1,036,179
Expenses:						
Program Services:						
Media	200,520	-	200,520	209,211	-	209,211
Training	97,127	-	97,127	52,591	-	52,591
Certification	299,807	-	299,807	283,378	-	283,378
Coaching	137,075	-	137,075	119,273	-	119,273
Networks	500,495	-	500,495	555,984	-	555,984
Total Program Services	1,235,024	-	1,235,024	1,220,437	-	1,220,437
Supporting Services:						
General and Administrative	305,132	-	305,132	324,772	-	324,772
Fundraising	266,996	-	266,996	246,655	-	246,655
Total Supporting Services	572,128	-	572,128	571,427	-	571,427
Total Expenses	1,807,152	-	1,807,152	1,791,864	-	1,791,864
CHANGE IN NET ASSETS	(98,608)	(174,577)	(273,185)	(392,239)	(363,446)	(755,685)
Net Assets - Beginning of Year	(19,588)	1,237,852	1,218,264	372,651	1,601,298	1,973,949
NET ASSETS - END OF YEAR	\$ (118,196)	\$ 1,063,275	\$ 945,079	\$ (19,588)	\$ 1,237,852	\$ 1,218,264

See accompanying Notes to Financial Statements.

HISPANIC MINISTRY CENTER DBA URBAN YOUTH WORKERS INSTITUTE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024 (REVIEWED)

	Program Services					Supporting Services			Total
	Media	Training	Certification	Coaching	Networks	General and Administrative	Fundraising		
Bank and Other Fees	\$ 1,215	\$ 110	\$ 2,929	\$ 867	\$ 2,400	\$ 1,691	\$ 4,160	\$ 13,372	
Contract Services	44,379	1,852	84,165	17,032	125,937	28,352	26,927	328,644	
Depreciation	-	-	-	-	-	1,522	-	1,522	
Equipment	50	5	45	36	78	70	66	350	
Events and Venues	-	-	4,091	-	10,676	-	9	14,776	
Information Technology	4,211	369	3,925	2,899	6,424	6,472	12,779	37,079	
Insurance	2,250	205	2,014	1,605	3,554	3,131	2,974	15,733	
Interest	-	-	-	-	-	27,957	-	27,957	
Marketing and Promotion	760	-	-	-	420	2,489	61	3,730	
Other	330	30	296	236	1,160	459	436	2,947	
Personnel	131,732	11,976	117,914	93,962	227,378	183,320	174,105	940,387	
Printing and Postage	531	-	3,760	299	977	397	23,779	29,743	
Rent	12,043	1,095	21,346	8,590	19,716	24,750	15,917	103,457	
Scholarships and Benevolence	-	78,534	-	-	40,000	10,225	-	128,759	
Supplies and Materials	298	2,678	9,248	397	4,069	415	480	17,585	
Travel and Meetings	1,035	120	48,565	9,949	55,041	11,535	3,074	129,319	
Utilities	1,686	153	1,509	1,203	2,665	2,347	2,229	11,792	
Total Expenses By Function	\$ 200,520	\$ 97,127	\$ 299,807	\$ 137,075	\$ 500,495	\$ 305,132	\$ 266,996	\$ 1,807,152	

See accompanying Notes to Financial Statements.

HISPANIC MINISTRY CENTER DBA URBAN YOUTH WORKERS INSTITUTE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023 (AUDITED)

	Program Services					Supporting Services			Total
	Media	Training	Certification	Coaching	Networks	General and Administrative	Fundraising		
Bank and Other Fees	\$ 1,064	\$ 97	\$ 2,631	\$ 780	\$ 1,707	\$ 1,480	\$ 3,536	\$ 11,295	
Contract Services	61,460	6,875	102,127	15,611	52,594	46,899	27,880	313,446	
Depreciation	256	23	229	183	405	356	338	1,790	
Equipment	899	82	804	641	1,420	1,251	1,188	6,285	
Events and Venues	-	-	1,847	-	11,164	67	42	13,120	
Information Technology	393	3,600	158	-	-	27,752	7,188	39,091	
Insurance	3,401	309	3,044	2,426	5,375	4,732	4,495	23,782	
Interest	-	-	-	-	-	30,717	-	30,717	
Marketing and Promotion	1,943	25	414	-	1,651	2,423	110	6,566	
Other	56	-	-	-	534	553	-	1,143	
Personnel	125,734	11,430	112,545	89,685	201,213	176,397	166,180	883,184	
Printing and Postage	71	29	4,627	-	442	1,818	13,057	20,044	
Rent	11,561	1,052	21,141	8,245	23,189	16,089	15,280	96,557	
Scholarships and Benevolence	-	28,900	-	-	197,779	-	800	227,479	
Supplies and Materials	-	-	7,289	-	1,499	1,981	1,719	12,488	
Travel and Meetings	514	-	24,858	376	54,074	9,670	2,385	91,877	
Utilities	1,859	169	1,664	1,326	2,938	2,587	2,457	13,000	
Total Expenses By Function	\$ 209,211	\$ 52,591	\$ 283,378	\$ 119,273	\$ 555,984	\$ 324,772	\$ 246,655	\$ 1,791,864	

See accompanying Notes to Financial Statements.

HISPANIC MINISTRY CENTER DBA URBAN YOUTH WORKERS INSTITUTE
STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 (REVIEWED) AND 2023 (AUDITED)

	2024 (Reviewed)	2023 (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (273,185)	\$ (755,685)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	1,522	1,790
Realized and Unrealized Gain on Investments	(20,020)	(18,095)
Lease Expense	55,466	39,344
Forgiveness of Note Receivable	17,687	21,866
Changes in Operating Assets and Liabilities:		
Accounts Receivable	288	276,466
Interest Receivable	232	(3,246)
Prepaid Expenses	(2,247)	6,038
Accounts Payable	(21,979)	28,735
Accrued Expenses	(14,549)	(7,787)
Operating Lease Obligations	(47,475)	(32,264)
Net Cash Provided by Operating Activities	<u>(304,260)</u>	<u>(442,838)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Property and Equipment	-	(8,038)
Net Cash Provided by Investing Activities	<u>-</u>	<u>(8,038)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Notes	<u>(105,000)</u>	<u>(105,000)</u>
Net Cash Used by Financing Activities	<u>(105,000)</u>	<u>(105,000)</u>
NET DECREASE IN CASH		
	(409,260)	(555,876)
Total Cash and Cash Equivalents - Beginning of Year	<u>1,114,608</u>	<u>1,670,484</u>
TOTAL CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 705,348</u>	<u>\$ 1,114,608</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash Paid During the Year for:		
Interest	\$ 27,957	\$ 30,717
Unrelated Business Income Taxes	-	-
Total	<u>\$ 27,957</u>	<u>\$ 30,717</u>

See accompanying Notes to Financial Statements.

**HISPANIC MINISTRY CENTER DBA URBAN YOUTH WORKERS INSTITUTE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 (REVIEWED) AND 2023 (AUDITED)**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

Organization and Operations

The Hispanic Ministry Center (HMC, Organization, we, us, our), 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 UYWI is a nonprofit 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 create a movement of urban leaders who lead generations of youth to restore and rebuild broken communities globally.

Programs in meeting these goals:

Certification

- UYWI Certification Program

Coaching

- NXT LVL Leadership

Media

- UYWI Website / Social Media

Networks

- Launch & Fuel Networks

Training

- UYWI Library

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

**HISPANIC MINISTRY CENTER DBA URBAN YOUTH WORKERS INSTITUTE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 (REVIEWED) AND 2023 (AUDITED)**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash, Cash Equivalents, and Restricted Cash

We consider all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable consist primarily of noninterest-bearing amounts due for Training, Certification, and Coaching programs. We use historical loss information based on aging of receivables as the basis to determine expected credit losses for receivables. A loss rate is developed for each risk category based on aging. Management believes the composition of receivables at year-end is consistent with historical conditions as credit terms and practices and the customer base has not changed significantly. As of December 31, 2024 and 2023, no amounts were considered uncollectible and therefore these financial statements do not include an allowance for credit loss.

Receivables from contracts with customers are reported as accounts receivable in the accompanying statement of financial position. Contract liabilities are reported as deferred revenue in the accompanying statement of financial position.

Investments

We record investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment income/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Property and Equipment

We record property and equipment additions over \$2,500 at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 5 to 7 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

We review the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended December 31, 2024 and 2023.

**HISPANIC MINISTRY CENTER DBA URBAN YOUTH WORKERS INSTITUTE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 (REVIEWED) AND 2023 (AUDITED)**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

We lease office space. We determine if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, and operating lease liabilities on the statement of financial position.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most leases do not provide an implicit rate, we use a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. See Note 7.

We have elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has not designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**HISPANIC MINISTRY CENTER DBA URBAN YOUTH WORKERS INSTITUTE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 (REVIEWED) AND 2023 (AUDITED)**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and Revenue Recognition

We recognize revenue from sales of strategic programs over time, as the performance obligations of providing the services are met. The five strategic programs are: Certification, Coaching, Media, Networks, and Training. Payments are required at the time of sale; amounts received in advance are deferred to the applicable period.

We periodically engage in product development and related services that are aligned with our vision and goals. Revenues from these sources are recognized when or as we satisfy its performance obligations.

We recognize contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Marketing and Promotion Costs

Marketing and promotion costs are expensed as incurred and approximated \$3,730 and \$6,566 during the years ended December 31, 2024 and 2023, respectively.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

Hispanic Ministry Center dba Urban Youth Workers Institute was organized as a nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under IRC Section 501(a) as organizations described in Internal Revenue Code (IRC) Section 501(c)(3), qualify for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and (viii). We are annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, we are subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. We have determined that the Organization is not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Estimates

The preparation of financial statements in conformity with US GAAP requires us to make estimates and assumptions that affect the reported amounts of 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, and those differences could be material.

**HISPANIC MINISTRY CENTER DBA URBAN YOUTH WORKERS INSTITUTE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 (REVIEWED) AND 2023 (AUDITED)**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments and Credit Risk

We manage deposit concentration risk by placing cash and money market accounts with financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, we have not experienced losses in any of these accounts. Credit risk associated with accounts receivable is considered to be limited due to high historical collection rates. Investments are made by diversified investment managers whose performance is monitored by us and the investment committee of the board of directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, we and the investment committee believe that the investment policies and guidelines are prudent for the long-term welfare of the organization.

Subsequent Events

We have evaluated subsequent events through June 25, 2025, the date the financial statements were available to be issued

NOTE 2 LIQUIDITY AND AVAILABILITY

The Organization is substantially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at December 31:

	<u>2024</u> <u>(Reviewed)</u>	<u>2023</u> <u>(Audited)</u>
Total Cash and Cash Equivalents	\$ 705,348	\$ 1,114,608
Investments	116,288	96,268
Accounts Receivable	2,594	2,882
Net Assets with Donor Restrictions	(1,063,275)	(1,237,852)
Total	\$ (239,045)	\$ (24,094)

HISPANIC MINISTRY CENTER DBA URBAN YOUTH WORKERS INSTITUTE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 (REVIEWED) AND 2023 (AUDITED)

NOTE 3 FAIR VALUE MEASUREMENTS AND DISCLOSURES

We report certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset or liability.

	2024 (Reviewed)			
	Total	Level 1	Level 2	Level 3
Investments:				
Mutual Funds	\$ 116,288	\$ 116,288	\$ -	\$ -
Total Investments	<u>\$ 116,288</u>	<u>\$ 116,288</u>	<u>\$ -</u>	<u>\$ -</u>
2023 (Audited)				
	Total	Level 1	Level 2	Level 3
Investments:				
Mutual Fund	\$ 96,268	\$ 96,268	\$ -	\$ -
Total Investments	<u>\$ 96,268</u>	<u>\$ 96,268</u>	<u>\$ -</u>	<u>\$ -</u>

HISPANIC MINISTRY CENTER DBA URBAN YOUTH WORKERS INSTITUTE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 (REVIEWED) AND 2023 (AUDITED)

NOTE 4 NOTE RECEIVABLE

On April 18, 2022, the Organization loaned a related party \$265,000. The note term is 15 years with an interest rate of 2.25% and matures on April 17, 2037. The Organization forgives \$17,667 of principal, plus accrued interest, annually on April 18th. This forgiveness agreement is contingent on the related party's continued employment. Management believes no allowance for credit loss is necessary. As of December 31, 2024 and 2023, the balance of the related party note receivable was \$229,646 and \$247,333, respectively. See Note 10.

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	2024 (Reviewed)	2023 (Audited)
Computer Equipment	\$ 28,709	\$ 28,709
Less: Accumulated Depreciation and Amortization	(18,294)	(16,772)
Total Property and Equipment	<u>\$ 10,415</u>	<u>\$ 11,937</u>

Depreciation expense totaled \$1,522 and \$1,790 for the years ended December 31, 2024 and 2023, respectively.

NOTE 6 NOTE PAYABLE

Note payable consists of the following at December 31:

<u>Description</u>	2024 (Reviewed)	2023 (Audited)
Related party note payable, due in annual principal payments of \$105,000 and accumulated accrued interest at 2.25%. See Note 10.	<u>\$ 105,000</u>	<u>\$ 210,000</u>

Future maturities are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	105,000	2,362	107,362
Total	<u>\$ 105,000</u>	<u>\$ 2,362</u>	<u>\$ 107,362</u>

HISPANIC MINISTRY CENTER DBA URBAN YOUTH WORKERS INSTITUTE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 (REVIEWED) AND 2023 (AUDITED)

NOTE 7 LEASES

We lease certain office facilities under a long-term non-cancelable operating lease agreement. The initial lease term expires on March 31, 2028, and provide for one renewal option for a term of five years which we are reasonably certain to exercise. Our operating lease provides for increases in future minimum annual rental payments. Additionally, the operating lease agreement requires us to pay real estate taxes, insurance, and repairs.

Total operating lease expense for the years ended December 31, 2024 and 2023 was \$73,952 and \$55,464, respectively.

Operating cash flows from operating leases for the years ended December 31, 2024 and 2023, was \$65,961 and \$48,384, respectively.

The following summarizes the weighted-average remaining lease term and weight-average discount rate for the years ended December 31:

	2024 (Reviewed)	2023 (Audited)
Weighted-Average Lease Term:		
Operating Leases	8.3	9.3
Weighted-Average Discount Rate:		
Operating Leases	3.60 %	3.60 %

The future minimum lease payments under noncancelable operating lease with terms greater than one year is as follows:

<u>Year Ending December 31,</u>	<u>Operating Leases</u>
2025	\$ 67,938
2026	69,975
2027	72,072
2028	74,238
2029	76,467
Thereafter	<u>264,489</u>
Total Lease Payments	<u>625,179</u>
Less: Interest	<u>(88,211)</u>
Present Value of Lease Liabilities	<u><u>\$ 536,968</u></u>

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NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following as of December 31:

	<u>2024</u> (Reviewed)	<u>2023</u> (Audited)
Subject to Expenditure for Specified Purpose:		
Capacity Building Grant	\$ -	\$ 120,000
Certification	267,970	342,093
Coaching	303,691	116,622
Consultant	-	120,000
Networks	460,019	505,272
Training	31,595	33,865
Total Net Assets with Donor Restrictions	<u>\$ 1,063,275</u>	<u>\$ 1,237,852</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended December 31:

	<u>2024</u> (Reviewed)	<u>2023</u> (Audited)
Satisfaction of Purpose Restrictions:		
Capacity Building Grant	\$ 120,000	\$ -
Certification	186,123	103,518
Coaching	12,932	27,378
Consulting	120,000	-
Networks	291,153	572,856
Training	66,019	39,054
Total Net Assets Released from Donor Restrictions	<u>\$ 796,227</u>	<u>\$ 742,806</u>

NOTE 9 EMPLOYEE BENEFITS

We sponsored a tax-deferred annuity plan (the Plan) qualified under IRC Section 403(b) covering all employees who work a minimum of 20 hours per work or complete one year of service. The Organization has the option to make a discretionary matching contribution equal to a uniform percentage or dollar amount of an employee's elective deferral. The Organization did not make any contributions for the years ended December 31, 2024 and 2023. In May 2024, the Organization closed the 403(b) Plan due to lack of participation.

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NOTE 10 RELATED PARTY TRANSACTIONS

During 2022, we issued a note receivable in the amount of \$265,000 to a related party. See Note 4.

During 2022, we obtained a note payable in the amount of \$315,000 from a related party. See Note 6.

NOTE 11 GOING CONCERN

The Organization has experienced significant recurring net losses over the past three years which raises substantial doubt about the ability to continue as a going concern for a reasonable period of time. However, we have implemented a plan to increase fundraising and decrease overhead expenses. As of December 31, 2024, we have already seen a significant reduction in net losses from the prior years. The ability of the Organization to continue as a going concern is dependent on continued adherence to this plan for the year following the date the financial statements are available to be issued.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets or the amounts and classification of liabilities that might be necessary in the event the Organization cannot continue its existence.



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