

TEEN CHALLENGE OF NEVADA , INC.
(A Nonprofit Corporation)

FINANCIAL STATEMENTS
Together with
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED DECEMBER 31, 2020

Tang & Lee, LLP

Certified Public Accountants

TEEN CHALLENGE OF NEVADA, INC.
(A Nonprofit Corporation)
FOR THE YEAR ENDED DECEMBER 31, 2020

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1-2
FINANCIAL STATEMENTS:	
Statement of Financial Position	3-4
Statement of Activities and Changes in its Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7-14
Supplementary Information	
Schedule of Functional Expenses	15

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Teen Challenge
Teen Challenge of Nevada, Inc.
San Jose, California

Report on the Financial Statements

We have audited the accompanying financial statements of **Teen Challenge of Nevada, Inc.** (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and changes in its net assets, 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 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 statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Teen Challenge of Nevada, Inc. as of December 31, 2020, and statement of activities and 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.

Report on Summarized Comparative Information

We have previously audited the Teen Challenge of Nevada, Inc.'s 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 19, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of functional expenses on pages 15 is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Tang & Lee, LLP

Burlingame, California
October 8, 2021

TEEN CHALLENGE OF NEVADA, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020
(With Comparative Totals for December 31, 2019)

ASSETS	Without donor restrictions	With donor restrictions	Total 2020	Summarized 2019
CURRENT ASSETS:				
Cash and cash equivalents	\$ 486,867	\$ -	\$ 486,867	\$ 363,657
Prepaid expenses and deposits	22,175	-	22,175	18,149
Total current assets	<u>509,042</u>	<u>-</u>	<u>509,042</u>	<u>381,806</u>
PROPERTY AND EQUIPMENT:				
Buildings and improvements	2,120,006	-	2,120,006	1,899,658
Furniture and equipment	86,963	-	86,963	76,647
Vehicles	125,122	-	125,122	119,969
	<u>2,332,091</u>	<u>-</u>	<u>2,332,091</u>	<u>2,096,274</u>
Less accumulated depreciation	(621,795)	-	(621,795)	(557,479)
	<u>1,710,296</u>	<u>-</u>	<u>1,710,296</u>	<u>1,538,795</u>
Construction in progress	10,620	-	10,620	10,294
Total property and equipment	<u>1,720,916</u>	<u>-</u>	<u>1,720,916</u>	<u>1,549,089</u>
OTHER ASSETS:				
Advance to Employee	800	-	800	2,000
Total other assets	<u>800</u>	<u>-</u>	<u>800</u>	<u>2,000</u>
Total assets	<u>\$ 2,230,758</u>	<u>\$ -</u>	<u>\$ 2,230,758</u>	<u>\$ 1,932,895</u>

The accompanying notes are an integral part of the financial statements.

TEEN CHALLENGE OF NEVADA, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020
(Continued)
(With Comparative Totals for December 31, 2019)

LIABILITIES AND NET ASSETS	Without donor restrictions	With donor restrictions	Total 2020	Summarized 2019
CURRENT LIABILITIES:				
Accounts payable	\$ 21,659	\$ -	\$ 21,659	\$ 41,897
Accounts payable-related parties	436,436	-	436,436	358,055
Accrued expenses	37,281	-	37,281	29,281
Other payables	-	-	-	10
Deposit held	110,155	-	110,155	100,447
Paycheck protection program loan	100,000	-	100,000	-
Current portion of notes payable	31,515	-	31,515	19,922
Total current liabilities	737,046	-	737,046	549,612
Long-term liabilities:				
Notes payable-related parties	594,580	-	594,580	609,029
Notes payable, net of current portion	334,004	-	334,004	236,453
	928,584	-	928,584	845,482
Total liabilities	1,665,630	-	1,665,630	1,395,094
COMMITMENTS AND CONTINGENCIES				
NET ASSETS:				
With donor restrictions	-	-	-	-
Without donor restrictions	565,128	-	565,128	537,801
Total net assets	565,128	-	565,128	537,801
Total liabilities and net assets	<u>\$ 2,230,758</u>	<u>\$ -</u>	<u>\$ 2,230,758</u>	<u>\$ 1,932,895</u>

The accompanying notes are an integral part of the financial statements.

TEEN CHALLENGE OF NEVADA, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN ITS NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020
(With Comparative Totals for December 31, 2019)

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total 2020</u>	<u>Summarized 2019</u>
SUPPORT AND REVENUE:				
General contributions	\$ 347,777	\$ -	\$ 347,777	\$ 315,786
Non-cash donations	16,866	-	16,866	13,870
Special events contributions	220,288	-	220,288	175,923
Special events direct benefits cost	(13,762)	-	(13,762)	(31,484)
Total support	<u>571,169</u>	<u>-</u>	<u>571,169</u>	<u>474,095</u>
Interest income and miscellaneous income	15,455	-	15,455	18,025
Program fees	601,200	-	601,200	500,922
Sale of assets and donated items	21,625	-	21,625	15,626
Total revenue	<u>638,280</u>	<u>-</u>	<u>638,280</u>	<u>534,573</u>
Total support and revenue	<u>1,209,449</u>	<u>-</u>	<u>1,209,449</u>	<u>1,008,668</u>
EXPENSES:				
Program services	1,048,372	-	1,048,372	875,279
Supporting services -				
General and administrative	47,484	-	47,484	117,828
Fundraising	86,150	-	86,150	75,656
Total supporting services	<u>133,634</u>	<u>-</u>	<u>133,634</u>	<u>1,068,763</u>
Total expenses	<u>1,182,006</u>	<u>-</u>	<u>1,182,006</u>	<u>1,068,763</u>
Changes in net assets- increase/(decrease)	27,443	-	27,443	(60,095)
NET ASSETS, beginning of year	537,801	-	537,801	597,896
Prior period adjustments	<u>(116)</u>	<u>-</u>	<u>(116)</u>	<u>-</u>
Restated net assets, beginning of year	537,685	-	537,685	597,896
NET ASSETS, end of year	<u>\$ 565,128</u>	<u>\$ -</u>	<u>\$ 565,128</u>	<u>\$ 537,801</u>

The accompanying notes are an integral part of the financial statements.

TEEN CHALLENGE OF NEVADA, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020
(With Comparative Totals for December 31, 2019)

	Total 2020	Summarized 2019
Cash flows from operating activities:		
Increase (Decrease) in net assets	\$ 27,443	\$ (60,095)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	65,483	65,496
Changes (increase)/decrease in assets and liabilities:		
Prepaid expenses and deposits	(4,026)	(8,526)
Other current assets	1,200	(2,000)
Accounts payables and accrued expenses	66,143	66,705
Insurance and other payables	(10)	(123)
Deposits held	9,708	9,672
Period period adjustments	(116)	-
Net cash flows provided by operating activities	165,825	71,129
Cash flows for investing activities:		
Acquisition of property and equipment	(236,986)	(24,275)
Construction in progress	(326)	(5,987)
Net cash flows used by investing activities	(237,312)	(30,262)
Cash flows for financing activities:		
Paycheck protection program loan	100,000	-
(Debt reduction)/increase on long-term debt	94,695	(19,060)
Net cash flows used in financing activities	194,695	(19,060)
Net increase in cash	123,208	21,807
Cash, beginning of year	363,659	341,852
Cash, end of year	486,867	363,659
Supplementary information:		
Interest paid during the year	\$18,300	\$18,142

The accompanying notes are an integral part of the financial statements.

TEEN CHALLENGE OF NEVADA, INC.
Notes to Financial Statements
December 31, 2020

NOTE 1 Nature of Organization

David Wilkerson started Teen Challenge in 1958 as a home to help drug addicts and gang members in New York City to grow stronger in their relationship with God. Teen Challenge has expanded to more than 240 centers throughout the United States and over 1,200 centers in other countries since then.

Teen Challenge of Nevada, Inc. (TCNV) was originally incorporated on November 6, 1997 under its former name "Northern Nevada Teen Challenge, Inc." as a non-profit corporation in Nevada. Its former name had changed since June 6, 2001. TCNV was established to operate a Reno Adolescent Boys Center at Reno and to provide a network of Christian Discipleship programs providing ministry to men and adolescent boys who have life-controlling problems.

On September 10, 2002, TCNV opened a new ministry in Las Vegas.

In September of 2004, the Organization closed the Las Vegas center; but, continued to maintain an outreach office.

On July 22, 2015, the Board approved the management to purchase the property in Las Vegas for the Men's Center.

On June 28, 2017, the Board approved the management to purchase the property in Lund for the Girl's Center.

NOTE 2 Summary of Significant Accounting Policies

a. **Basis of Presentation**

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with FASB ASC 958-605-20, Accounting for Contributions Received and Contributions Made, and FASB ASC 958, Financial Statements of Not-For-Profit Organizations. The financial statements report separately classifies amounts of net assets:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of TCNV. These net assets may be used at the discretion of TCNV's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of TCNV or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

TEEN CHALLENGE OF NEVADA, INC.
Notes to Financial Statements (Continued)
December 31, 2020

b. **Revenue and Expenses**

Without donor restricted contributions are recognized when cash is received or ownership of donated assets is transferred to TCNV.

With donor restricted contributions are recognized as contribution income in the statement of activities when cash or ownership of donated assets is transferred to TCNV. These contributions are subsequently transferred to the net assets without donor restrictions to cover expenses that are incurred to satisfy those restrictions.

TCNV believes that motivation for giving results when God moves the hearts of individuals. Therefore, it views any faith promises received as an expression of a desire to give based on God's future provision. Therefore, faith promises received by TCNV are recognized as neither contributions nor conditional promises in the financial statements, since all conditions rest with the donor and the donor reserves the right to modify the promise.

c. **Property and Equipment**

Land, buildings, and equipment valued at \$1,000 or more are capitalized and recorded at cost purchased or at fair market value at the date of gift if donated.

Depreciation is computed using the straight-line method over the estimated useful life of the assets as follows:

	<u>Life in Years</u>
Buildings and improvements	20 to 40
Furniture and equipment	5
Vehicles	5

d. **Donated Goods and Services**

Donated goods and services are recorded at their fair market value at the date of gift or service.

e. **Cash and Cash Equivalents Definition**

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term. Highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

f. **Use of Volunteers**

A large number of people have contributed significant amount of time to the activities of TCNV. The financial statements do not reflect the value of these contributed services because they do not meet the recognition criteria of FASB ASC 958. If these activities could be valued in the accompanying financial statements, their inclusion would significantly increase the percent of expenses attributable to direct program expenditures.

TEEN CHALLENGE OF NEVADA, INC.
Notes to Financial Statements (Continued)
December 31, 2020

g. Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles 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.

h. Income Taxes Status

TCNV is exempt from federal and state income taxes under Sections 501(c)(3) of the Internal Revenue Code (IRC), and 81.290 of Nevada Revised Statutes. Furthermore, TCNV is not classified as a private foundation.

The Financial Accounting Standards Board (FASB) FASB Interpretation No.48, *Accounting for Uncertainty in Income Taxes*, (Fin 48) which was subsequently included in the FASB Codification as ASC 740, prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Management of TCNV has evaluated its uncertain tax positions and related income tax contingencies. Management does not believe that any material uncertain tax positions exist. TCNV's tax returns are subject to examination by Federal taxing authorities for a period of three years from the date they are filed and a period of four years by California taxing authorities.

i. Functional Allocation of Expenses

The costs of providing the combined various programs and other activities have been summarized in the Statement of Functional Expenses. Expenses that can be identified with a specific program or support service are charged directly to their natural expenditure classification. Certain costs common to several functions have been allocated among the programs and supporting services benefited. General and administrative and fundraising expenses are those not directly identifiable with any specific function but which provide for the overall support and direction TCNV.

j. Fair Value of Financial Instruments

TCNV's financial instruments include cash and cash equivalents, receivable, prepaid, deposits, accounts payables, and notes payables. The carrying amount of these items approximates fair value because of the nature and short maturity of these instruments.

k. Comparative Financial Information

The consolidated financial statements are presented with prior year summarized comparative totals which do not include detail by net asset classification. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's 2019 consolidated financial statements, from which the comparative totals were derived.

TEEN CHALLENGE OF NEVADA, INC.
Notes to Financial Statements (Continued)
December 31, 2020

NOTE 3 Notes Payable

- a. TCNV acquired a fixed rate mortgage of \$107,000 on September 20, 2011. The interest rate is 7.0% per year and the term of the note is over 20 years (240 months). The monthly payment is \$712. The outstanding balance on December 31, 2020 was \$93,586.
- b. TCNV purchased the property in Lund for the new Girl's center on June 28, 2017. The total cost of the property is 636,126. The TCN obtained a loan of \$200,000 from Leota Johnson. The note is secured by a deed of trust. The interest rate is 4.5% per annum, and the term of the note is over 10 years. Starting August 1, 2017, the monthly payment is \$2,073. The outstanding balance on December 31, 2020 was \$142,816.
- c. The TCN obtained a loan of \$130,000 from Joyner. The note is secured by a deed of trust. The interest rate is 4.0% per annum, and the term of the note is over 10 years. Starting December 25, 2020, the monthly payment is \$1,316. The outstanding balance on December 31, 2020 was \$129,117.

Summaries of long-term debts secured by real properties at December 31, 2020 are presented below:

<u>Lender</u>	<u>Monthly Payments</u>	<u>Interest Rate</u>	<u>Balance</u>
AG Financial Solutions	712	7.00%	\$93,586
Joyner	1,316	4.00%	129,117
Leota Johnson	2,073	4.50%	<u>142,816</u>
		Total	<u>\$365,519</u>

As of December 31, 2020, the principal which is required to be paid over the next five years for all mortgages, is as follows:

<u>Year Ending December 31</u>	<u>Amount</u>
2021	\$ 31,515
2022	33,178
2023	34,693
2024	36,288
2025	37,959
Thereafter	<u>191,886</u>
Total	365,519
Current portion	<u>(31,515)</u>
Long-term portion	<u>\$ 334,004</u>

TEEN CHALLENGE OF NEVADA, INC.
Notes to Financial Statements (Continued)
December 31, 2020

NOTE 4 Paycheck Protection Program Loan

TCNV has applied Paycheck Protection Program (PPP) administered by Small Business Administration of Federal government. The program is to provide economic relief to small businesses and non-profit entities adversely affected by the pandemic nationwide. TCNV had received the relief in the amount of \$100,000 and has been using it for the operation.

On April 23, 2021, the SBA PPP loan for Teen Challenge of Nevada has been fully forgiven and the Organization has not written off the total loan until 2021

NOTE 5 Special Events

During 2020, TCNV conducted events to acknowledge supporter about current operations and to expose potential new donors to TCNV. Support received from these events and the costs for the direct benefits provided are summarized by each event. All costs related to publicity, travel, related salaries, and administration of the event have been included in fund raising expenses.

NOTE 6 Commitments.

TCNV had numerous short-term monthly leases for storages and equipment.

NOTE 7 Employee Retirement Plan

TCNV has a 403(b) tax-deferred annuity retirement plan, which is funded by contributions from both TCNV and its employees. In 2020, TCNV has not made any pension contribution to any officers. TCNV has no liability for the administration or payment of benefits of the plan and, accordingly, the present value of the related vested benefits is not reflected on these financial statements.

NOTE 8 Related Party Transactions

There are intercompany transactions among TCSB, TCEB, TCNV and TCSV. These transactions are accounts receivable, accounts payable, note receivable, administration income and expense. All these intercompany transactions would be eliminated in the consolidated financial statements. As of December 31, 2020, TCNV has incurred accounts payable in the amount of \$436,436 and notes payable in the amount of \$594,580 with TCSB.

- a. On June 1, 2017, TCNV obtained a promissory note of \$430,000 from TCSB for Girl's Center with no interest. The loan is secured by a deed of trust and will be due on April 30, 2037. As of December 31, 2020, the unpaid balance was \$430,000.
- b. TCNV purchased the property in Las Vegas for the Men's Center on July 25, 2014. The total cost of the property is \$590,898. TCNV paid \$52,898 and an individual donated \$278,000 to TCNV. The remaining amount of \$300,000 was financed through the Henderson Capital Group LLC (HCGLLC). The note is secured by the Deed of Trust and is a non-interest bearing. On July 18, 2018, TCNV obtained a loan of \$157,000 from TCSB to payoff loan with principle balance of

TEEN CHALLENGE OF NEVADA, INC.
Notes to Financial Statements (Continued)
December 31, 2020

\$100,000 from HCGLLC and loan with principle balance of \$57,000 from TCSB. The loan is secured by a deed of trust. As of December 31, 2020, the unpaid balance was \$124,487.

- c. TCNV continues to borrow fund from TCSB for Las Vegas center. As of December 31, 2020, the unpaid balance was \$40,093.

Note 9 Subsequent Events

The management of TCNV has reviewed the results of operations and evaluated subsequent events for the period of time from its year ended December 31, 2020 through October 8, 2021, the date the financial statements were available to be issued, and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements. However, the following events have occurred and the nature of which would require disclosure.

Many people have been affected by pandemic COVID-19 starting in the month of March throughout the country. The shelter-in-place orders were declared on March 17. The activities have been gradually suspended. As a result, TCNV had to find alternate sources of fundraising. Thrift Stores were closed for more than five months but have now reopened. Staffs were unable to conduct Door to Door fundraising and some other fundraising activities as well. Staffs are now doing a little Door to Door as restrictions are loosened. And some suspended fundraising activities are added back as regulations allow. The overall ministry and student life have not changed and continue on. Currently, the office was allowed to access. As of today, many activities have been somewhat held back and the impact of this pandemic on TCNV's results of operation, financial position, and liquidity in the coming year has not been determined as of today.

Note 10 Fair Value Measurements

TCNV measure fair value in accordance with Statement of Financial Accounting Standards No. 157, Fair Value Measurements, (FAS 157) which was subsequently included In the FASB Codification as ASC 820. ASC 820 which applies to all financial instruments that are being measured and reported on a fair value basis. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a fair value hierarchy that priorities the inputs to valuation techniques used to measure 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 measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 - Inputs are quoted market prices (unadjusted) in active markets for identical assets or Liabilities. Valuations for assets and liabilities traded in active exchange markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 - Inputs other than quoted prices within Level 1 that are observable, either directly or indirectly. Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 - Inputs are unobservable. Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discontinued cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions.

TEEN CHALLENGE OF NEVADA, INC.
Notes to Financial Statements (Continued)
December 31, 2020

TCNV's financial assets measured at fair value have been categorized based upon a fair value hierarchy. The following page presents information about TCNV's assets and liabilities measured at fair value as of December 31, 2020.

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Balance as of December 31, 2020
Cash and cash equivalents	\$ 486,867			\$ 486,867
Prepaid expenses and deposits	22,175			22,175
Property and equipment		\$ 1,720,916		1,720,916
Advance to employee		800		800
Total	509,042	1,721,716		2,230,758
Accounts payable	21,659			21,659
Accounts payable-related parties	436,436			436,436
Accrued expenses	37,281			37,281
Deposits held		110,155		110,155
Paycheck protection program loan	100,000			100,000
Notes payable		365,519		365,519
Notes payable-related parties		594,580		594,580
Total	\$ 595,376	\$ 1,070,254		\$ 1,665,630

Note 11 Availability and Liquidity

This presentation is required by the newly adopted ASU 2016-14 which is effective for annual financial statements issued for fiscal years beginning after December 15, 2018. The following represents TCNV's financial assets as of December 31, 2020:

TEEN CHALLENGE OF NEVADA, INC.
Notes to Financial Statements (Continued)
December 31, 2020

Financial assets at year end:	
Cash	\$ 486,867
Total financial assets	<u>486,867</u>
Less amounts not available to be used within one year:	
Restricted cash-Certificates of deposit	-
Net assets with donor restrictions	<u>-</u>
Financial assets available to meet general expenditures over the next twelve months	<u><u>\$ 486,867</u></u>

TCNV's goal is generally to maintain financial assets to meet 90 days of operating expenses. As part of its liquidity plan, excess cash is invested in certificates of deposit over one-year. As of December 31, 2020, the management believes that TCNV has sufficient fund to meet the current year obligation.

TEEN CHALLENGE OF NEVADA, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

<u>Nature</u>	<u>Program expenses</u>	<u>General and Administration</u>	<u>Fundraising</u>	<u>Total 2020</u>
Salaries and wages	\$ 340,432	\$ 25,885	\$ 37,522	\$ 403,839
Employee benefits	5,861	9,101	268	15,230
Payroll taxes	27,328	590	2,204	30,122
Hiring Costs	800	-	-	800
Per Diem Expense	43,047	-	1,580	44,627
Bank Service Charges	1,875	-	58	1,933
Permits & Licenses	50	-	-	50
Corporation Costs	2,965	-	-	2,965
Accounting Fees	1,750	-	-	1,750
Property Taxes	332	-	-	332
General Supplies	96,404	-	963	97,367
Telephones	25,374	1,250	-	26,624
Postage and Delivery	13,372	-	16,571	29,943
Utilities	55,482	-	-	55,482
Rent	23,644	-	-	23,644
Building Repair&Maintenance	10,092	-	-	10,092
Liability Insurance	16,966	-	-	16,966
Equipment	14,141	-	-	14,141
Printing and Reproduction	7,760	-	22,620	30,380
Travel	83,208	-	3,806	87,014
Interest Expense	18,300	-	-	18,300
Depreciation, depletion, and amortization	65,483	-	-	65,483
Loss, Theft, Disposal	3,140	-	-	3,140
Affiliates	7,425	-	-	7,425
Dues and Subscriptions	1,589	-	-	1,589
Promotions & Advertising	5,174	-	537	5,711
Training	963	-	-	963
Professional Services	51,477	-	-	51,477
Administration Expenses	106,325	10,658	-	116,983
Other expenses	17,612	-	21	17,633
Total	\$ 1,048,372	\$ 47,484	\$ 86,150	\$ 1,182,006