

*Youth Life Foundation of  
Richmond*

FINANCIAL STATEMENTS

AUGUST 31, 2021

## TABLE OF CONTENTS

	<b>Page</b>
INDEPENDENT ACCOUNTANT'S REVIEW REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Statement of Functional Expenses	5
Notes to Financial Statements	6 - 10

**PILC &  
MOSELEY, LLC**  
Certified Public Accountants

**INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

To the Board of Directors  
Youth Life Foundation of Richmond  
Richmond, Virginia

We have reviewed the accompanying financial statements of Youth Life Foundation of Richmond (the Foundation, a nonprofit organization) which comprise the statement of financial position as of August 31, 2021, and the related statements of activities, cash flows, and functional expenses 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.

**Accountant's 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 AICPA. 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.

**Accountant's Conclusion**

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

*Pilc & Moseley, LLC*

Richmond, Virginia  
December 28, 2021

## **FINANCIAL STATEMENTS**

**YOUTH LIFE FOUNDATION OF RICHMOND**  
Statement of Financial Position  
August 31, 2021  
With Comparative Amounts for Year Ended August 31, 2020

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 271,840	\$ 173,724
Prepaid insurance	<u>5,203</u>	<u>6,215</u>
Total current assets	<u>277,043</u>	<u>179,939</u>
<b>PROPERTY AND EQUIPMENT</b>		
Vehicles	213,323	213,323
Leasehold improvements	11,967	11,967
Equipment	<u>75,273</u>	<u>59,564</u>
	<b>300,563</b>	284,854
Less accumulated depreciation	<u>245,708</u>	<u>216,948</u>
Total property and equipment	<u>54,855</u>	<u>67,906</u>
Total assets	<u>\$ 331,898</u>	<u>\$ 247,845</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 3,791	\$ 10,082
Accrued payroll and related liabilities	15,494	11,922
Deferred revenue	<u>-</u>	<u>72,500</u>
Total current liabilities	<u>19,285</u>	<u>94,504</u>
Total liabilities	19,285	94,504
<b>NET ASSETS</b>		
Without donor restrictions	269,062	124,267
With donor restrictions	<u>43,551</u>	<u>29,074</u>
Total net assets	<u>312,613</u>	<u>153,341</u>
Total liabilities and net assets	<u>\$ 331,898</u>	<u>\$ 247,845</u>

See accompanying notes and independent accountant's review report.

**YOUTH LIFE FOUNDATION OF RICHMOND**  
Statement of Activities  
For the Year ended August 31, 2021  
With Comparative Amounts for Year Ended August 31, 2020

	<b>Without Donor</b>	<b>With Donor</b>	<b>Total</b>	
	<u>Restrictions</u>	<u>Restrictions</u>	<u>2021</u>	<u>2020</u>
<b>SUPPORT AND REVENUE</b>				
Scholarships	\$ -	\$ 1,000	\$ 1,000	\$ 4,295
Contributions	393,838	87,000	480,838	349,898
Foundation grants	142,778	-	142,778	56,210
Fundraising and special events	214,300	-	214,300	10,733
Gifts in kind	32,232	-	32,232	35,022
Other income	5,427	-	5,427	890
Payroll Protection Program loan funds	-	-	-	75,000
EIDL loan funds	-	-	-	10,000
Released from restrictions	<u>68,523</u>	<u>(68,523)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>857,098</u>	<u>19,477</u>	<u>876,575</u>	<u>542,048</u>
<b>EXPENSES</b>				
Program services	554,220	-	554,220	451,772
Management and general	86,071	-	86,071	76,524
Fund raising	<u>77,012</u>	<u>-</u>	<u>77,012</u>	<u>12,043</u>
Total expenses	<u>717,303</u>	<u>-</u>	<u>717,303</u>	<u>540,339</u>
<b>CHANGE IN NET ASSETS</b>	139,795	19,477	159,272	1,709
<b>NET ASSETS</b>				
Beginning	<u>129,267</u>	<u>24,074</u>	<u>153,341</u>	<u>151,632</u>
Ending	<u>\$ 269,062</u>	<u>\$ 43,551</u>	<u>\$ 312,613</u>	<u>\$ 153,341</u>

See accompanying notes and independent accountant's review report.

# YOUTH LIFE FOUNDATION OF RICHMOND

## Statement of Cash Flows

For the Year ended August 31, 2021

With Comparative Amounts for the Year Ended August 31, 2020

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 159,272	\$ 1,709
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation	28,760	26,503
Contribution of donated asset	(2,000)	-
Changes in receivables	-	5,250
Changes in prepaid insurance	1,012	(257)
Changes in accounts payable	(6,291)	(280)
Changes in accrued wages	3,572	2,498
Changes in deferred revenue	<u>(72,500)</u>	<u>72,500</u>
Net cash provided by operating activities	<u>111,825</u>	<u>107,923</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	<u>(13,709)</u>	<u>(11,804)</u>
 <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>98,116</b>	<b>96,119</b>
 <b>CASH AND CASH EQUIVALENTS</b>		
Beginning	<u>173,724</u>	<u>77,605</u>
Ending	<u>\$ 271,840</u>	<u>\$ 173,724</u>

See accompanying notes and independent accountant's review report.

**YOUTH LIFE FOUNDATION OF RICHMOND**  
**Statement of Expenses by Functional Category**  
**For the Year ended August 31, 2021**  
**With Comparative Totals for Year Ended August 31, 2020**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total 2021</u>	<u>2020</u>
Salaries	\$ 372,116	\$ 14,593	\$ 6,754	\$ 393,463	\$ 324,456
Payroll taxes	25,341	785	471	26,597	22,708
Employee benefits	46,022	2,924	982	49,928	46,758
Total salaries and related expenses	<u>443,479</u>	<u>18,302</u>	<u>8,207</u>	<u>469,988</u>	<u>393,922</u>
Bank fees	45	5,964	-	6,009	2,624
Depreciation	27,280	1,480	-	28,760	26,503
Fundraising and special events	-	53	68,801	68,854	2,425
Insurance	16,355	4,132	-	20,487	16,709
Miscellaneous	220	1,607	-	1,827	1,099
Office expense	447	8,845	4	9,296	2,888
Professional fees	-	10,407	-	10,407	9,144
Program supplies	14,087	-	-	14,087	19,382
Camp and trips	1,781	-	-	1,781	3,410
Scholarships	2,510	-	-	2,510	5,066
Rent	1,920	12,480	-	14,400	11,610
Rent in-kind	32,232	-	-	32,232	35,022
Telephone and utilities	644	2,307	-	2,951	1,342
Training and education	-	5,183	-	5,183	2,904
Travel and automobile	13,220	15,311	-	28,531	6,289
	<u>110,741</u>	<u>67,769</u>	<u>68,805</u>	<u>247,315</u>	<u>146,417</u>
Total functional expenses	<u>\$ 554,220</u>	<u>\$ 86,071</u>	<u>\$ 77,012</u>	<u>\$ 717,303</u>	<u>\$ 540,339</u>

See accompanying notes and independent accountant's review report.



# YOUTH LIFE FOUNDATION OF RICHMOND

## Notes to the Financial Statements

August 31, 2021

---

### NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

#### *Nature of Business*

Youth Life Foundation of Richmond (the “Foundation”), a non-profit organization formerly affiliated with the Darrell Green Foundation of Washington, D.C., provides educational and recreational programs designed to meet the physical, social, and emotional needs of disadvantaged students and their families in the surrounding neighborhoods of Richmond, VA.

#### *Basis of Presentation*

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”). Accordingly, revenues and support are recognized when earned, and expenses are recognized when incurred. Cash and other assets are recorded when received.

Information regarding the Foundation’s financial position and activities are reported according to the following net asset classifications:

**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 the Foundation. These net assets may be used at the discretion of the Foundation’s management and the board of directors.

**Net assets with donor restrictions:** Net assets that are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time.

#### *Use of Estimates*

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount 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.

#### *Cash and Cash Equivalents*

The Foundation considers all highly liquid instruments purchased with maturities of three months or less to be cash equivalents.

(Continued)

# YOUTH LIFE FOUNDATION OF RICHMOND

## Notes to the Financial Statements

August 31, 2021

---

### NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### *Income Taxes*

The Foundation is tax exempt under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no income taxes were required to be provided for in the accompanying financial statements. The Foundation follows Financial Accounting Standards Board ("FASB") guidance for how uncertain tax positions should be recognized, measured, disclosed and presented in the financial statements. Management evaluated the Foundation's tax position and concluded that the Foundation had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. The Foundation is no longer subject to examination by tax authorities for periods before 2018. The Foundation is not currently under audit by any tax jurisdiction.

#### *Grants and Contributions*

The Foundation recognizes grants and contributions when cash, securities, or other assets, an unconditional promise to give, or a notice of a grant award is received. All grants and contributions are considered to be available for general use unless specifically restricted by the grantor or donor.

#### *Donated Services, Materials and Equipment*

Donated materials and services are reflected as contributions in the financial statements at fair market value, if determinable, and are also reported in the various expense or asset categories. The Foundation recognized \$32,232 for materials and services meeting these criteria. Donated goods and services for which a fair market value is not determinable are not reflected in the financial statements. A substantial number of volunteers have made significant contributions of their time to develop the Foundation's programs. The value of these donated services is not reflected in the financial statements since no objective basis is available to measure the value of such services.

#### *Functional Expenses*

The cost of providing the various services and activities has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the supporting services benefited. These expenses require allocation on a reasonable basis that is consistently applied. Expenses are allocated on the basis of time and effort.

(Continued)

# YOUTH LIFE FOUNDATION OF RICHMOND

## Notes to the Financial Statements

August 31, 2021

---

### NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

(Concluded)

#### *Reclassifications*

Certain comparative figures have been reclassified to conform to the current year presentation.

#### *Subsequent Events*

Subsequent events were evaluated through December 28, 2021 which is the date the financial statements were available to be issued.

### NOTE 2. PROPERTY AND EQUIPMENT

Property and equipment are stated at cost or fair value if donated. Depreciation is provided for by the straight-line method using estimated useful lives of three years for software and five to seven years for automobiles and equipment.

Depreciation expense for the year ended August 31, 2021 was \$28,760.

Expenditures for maintenance, repairs and minor improvements are expensed in the year incurred.

### NOTE 3. RESTRICTED NET ASSETS

Net assets with donor restrictions at August 31, 2021, consisted of the following:

Scholarship funds	\$2,564
Technology	1,116
Reading supplies for elementary centers	26,313
Transportation	13,558
Total net assets with donor restrictions	<u>43,551</u>

# YOUTH LIFE FOUNDATION OF RICHMOND

## Notes to the Financial Statements

August 31, 2021

---

### NOTE 4. NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors during the year ended August 31, 2021. Such funds received and released were as follows:

Altria	\$	20,000
Scholarship funds		2,510
Scott (technology)		13,884
Outschool (reading supplies)		3,687
Smart Beginnings (transportation)		28,442
Total	\$	<u>68,523</u>

### NOTE 5. RETIREMENT PLAN

The Foundation has a qualified contribution retirement plan for the benefit of its employees. In addition to employee deferrals, employees are eligible to receive a 3% employer match after providing at least 300 hours of service in the current year and an expectation of 300 hours of service the following year. The Foundation had contribution expense of \$7,036 for the year ended August 31, 2021.

### NOTE 6. LEASING ARRANGEMENTS

The Foundation leases program space from a church under an informal year to year leasing arrangement at \$1,200 a month, or \$14,400 a year. In addition, the Foundation utilizes space at two other locations at no charge. The fair value of the annual rent received, or \$32,232, is included on the statement of functional expenses as rent in-kind.

### NOTE 7. CONCENTRATION OF RISK

Financial instruments, which potentially subject the Foundation to concentration of credit risk, consist principally of cash, cash equivalents, and unsecured receivables. Cash and cash equivalents are maintained in accounts at a financial institution in Richmond, Virginia. Accounts at the financial institution are insured by the Federal Deposit Insurance Corporation up to \$250,000.

# YOUTH LIFE FOUNDATION OF RICHMOND

## Notes to the Financial Statements

August 31, 2021

---

### NOTE 8. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Foundation has \$228,289 of financial assets available within one year of the statement of financial position date to meet cash needs for general operating expenditures, consisting of cash of \$271,840 less assets restricted by donors for specific purposes of \$43,551.

### NOTE 9. UNCERTAINTIES

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (“COVID-19”) a pandemic, with the outbreak widespread across the world. The Board and management of the Foundation are actively monitoring the ongoing impact of COVID-19 on its operations, investments and liquidity.

### NOTE 10. UPCOMING ACCOUNTING GUIDANCE

**Leases:** In February, 2016, the FASB issued Accounting Standards Update (“ASU”) No. 2016-02, Leases (Topic 842). Under the new guidance, lessees and lessors will be required to recognize assets and liabilities for leases with lease terms of more than 12 months. The new ASU will require both types of leases to be recognized on the statements of financial position as both a right of use asset and lease liability based on the present value of the lease payments. The new standard is effective for periods beginning after December 15, 2021, with early adoption permitted. The Foundation is currently evaluating the reporting and economic implications of the new standard.

**In-kind contributions:** In September 2020, the FASB issued ASU 2020-07 related to contributions of non-financial assets received, which amends previous guidance concerning presentation and disclosure of non-financial assets received. Specifically, the amendments require (1) presentation as a separate line item of contributed non-financial assets and (2) disclosure of information about each category of non-financial assets. The new standard will be effective for periods beginning after June 15, 2021 and will require entities to use a retrospective approach to the earliest period presented. The Foundation is currently evaluating the reporting and economic implications of the new standard.