

*Youth Life Foundation of
Richmond*

FINANCIAL STATEMENTS

AUGUST 31, 2023

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**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, 2023, 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 11, 2023

FINANCIAL STATEMENTS

YOUTH LIFE FOUNDATION OF RICHMOND
Statement of Financial Position
August 31, 2023
With Comparative Amounts for Year Ended August 31, 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 395,249	\$ 304,763
Prepaid insurance	4,444	4,025
Investments	100,992	-
Total current assets	<u>500,685</u>	<u>308,788</u>
PROPERTY AND EQUIPMENT		
Vehicles	208,823	213,323
Leasehold improvements	-	11,967
Equipment	34,546	75,273
	<u>243,369</u>	<u>300,563</u>
Less accumulated depreciation	<u>231,747</u>	<u>270,826</u>
Total property and equipment	<u>11,622</u>	<u>29,737</u>
Total assets	<u>\$ 512,307</u>	<u>\$ 338,525</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 4,326	\$ 2,903
Accrued payroll and related liabilities	15,660	16,289
Total current liabilities	<u>19,986</u>	<u>19,192</u>
Total liabilities	19,986	19,192
NET ASSETS		
Without donor restrictions	480,236	308,803
With donor restrictions	12,085	10,530
Total net assets	<u>492,321</u>	<u>319,333</u>
Total liabilities and net assets	<u>\$ 512,307</u>	<u>\$ 338,525</u>

See accompanying notes and independent accountant's review report.

YOUTH LIFE FOUNDATION OF RICHMOND
Statement of Activities
For the Year ended August 31, 2023
With Comparative Amounts for Year Ended August 31, 2022

	Without Donor	With Donor	Total	
	<u>Restrictions</u>	<u>Restrictions</u>	<u>2023</u>	<u>2022</u>
SUPPORT AND REVENUE				
Scholarships	\$ -	\$ -	\$ -	\$ 4,000
Contributions	386,845	33,500	420,345	404,175
Foundation grants	142,370	20,000	162,370	49,000
Fundraising and special events	141,109	-	141,109	162,102
Gifts in kind	14,094	-	14,094	19,392
Other income	6,930	-	6,930	548
ERC Credit	14,705	-	14,705	-
Gain/Loss on disposal of assets	(9,144)	-	(9,144)	-
Released from restrictions	51,945	(51,945)	-	-
Total support and revenue	748,854	1,555	750,409	639,217
EXPENSES				
Program services	412,135	-	412,135	497,953
Management and general	72,888	-	72,888	61,627
Fund raising	92,398	-	92,398	72,917
Total expenses	577,421	-	577,421	632,497
CHANGE IN NET ASSETS	171,433	1,555	172,988	6,720
NET ASSETS				
Beginning	308,803	10,530	319,333	312,613
Ending	\$ 480,236	\$ 12,085	\$ 492,321	\$ 319,333

See accompanying notes and independent accountant's review report.

YOUTH LIFE FOUNDATION OF RICHMOND
Statement of Cash Flows
For the Year ended August 31, 2023
With Comparative Amounts for the Year Ended August 31, 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 172,988	\$ 6,720
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation	8,971	25,118
Loss on disposal of property and equipment	9,144	-
Changes in prepaid insurance	(419)	1,178
Changes in accounts payable	1,423	(888)
Changes in accrued wages	<u>(629)</u>	<u>795</u>
Net cash provided by operating activities	<u>191,478</u>	<u>32,923</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	<u>(100,992)</u>	<u>-</u>
Net cash used in investing activities	<u>(100,992)</u>	<u>-</u>
 NET CHANGE IN CASH AND CASH EQUIVALENTS	 90,486	 32,923
 CASH AND CASH EQUIVALENTS		
Beginning	<u>304,763</u>	<u>271,840</u>
Ending	<u>\$ 395,249</u>	<u>\$ 304,763</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, 2023
With Comparative Totals for Year Ended August 31, 2022

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>	
				<u>2023</u>	<u>2022</u>
Salaries	\$ 279,782	\$ 39,459	\$ 28,022	\$ 347,263	\$ 371,203
Payroll taxes	21,294	1,854	964	24,112	25,792
Employee benefits	<u>39,780</u>	<u>4,860</u>	<u>2,828</u>	<u>47,468</u>	<u>52,880</u>
Total salaries and related expenses	<u>340,856</u>	<u>46,173</u>	<u>31,814</u>	<u>418,843</u>	<u>449,875</u>
Bank fees	255	3,801	25	4,081	4,303
Depreciation	8,971	-	-	8,971	25,118
Fundraising and special events	-	-	59,858	59,858	40,714
Insurance	17,000	253	184	17,437	16,746
Miscellaneous	140	25	-	165	1,609
Office expense	-	3,605	517	4,122	2,924
Professional fees	-	10,705	-	10,705	10,548
Program supplies	12,620	-	-	12,620	28,253
Scholarships	-	-	-	-	4,569
Rent	7,270	6,025	-	13,295	13,900
Rent in-kind	14,094	-	-	14,094	18,792
Telephone and utilities	1,683	2,166	-	3,849	4,549
Training and education	1,015	105	-	1,120	911
Travel and automobile	<u>8,231</u>	<u>30</u>	<u>-</u>	<u>8,261</u>	<u>9,686</u>
	<u>71,279</u>	<u>26,715</u>	<u>60,584</u>	<u>158,578</u>	<u>182,622</u>
Total functional expenses	<u>\$ 412,135</u>	<u>\$ 72,888</u>	<u>\$ 92,398</u>	<u>\$ 577,421</u>	<u>\$ 632,497</u>

See accompanying notes and independent accountant's review report.

YOUTH LIFE FOUNDATION OF RICHMOND

Notes to the Financial Statements

August 31, 2023

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, 2023

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 2020. 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 \$14,094 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, 2023

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 11, 2023 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, 2023 was \$8,971.

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, 2023, consisted of the following:

Reading specialist program	\$	3,423
Academic director salary		6,417
Space rental		1,500
Curriculum supplies		745
Total net assets with donor restrictions	\$	<u>12,085</u>

YOUTH LIFE FOUNDATION OF RICHMOND

Notes to the Financial Statements

August 31, 2023

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, 2023. Such funds received and released were as follows:

Memorial Foundation for Children (reading specialist)	\$	16,577
St. Paul Episcopal Church (academic director salary, rent, curriculum supplies)		1,338
Outschool (reading supplies)		10,530
Dollar General Literacy Fund (literacy)		3,500
Hunter Charitable Trust (academic director salary)		5,000
Altria/ACECF (Remix program/salary)		15,000
		<hr/>
Total	\$	51,945

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 \$8,652 for the year ended August 31, 2023.

NOTE 6. LEASING ARRANGEMENTS

The Foundation leases program space from a church for their Northside Outreach Center (NOC) under a formal month-to-month leasing arrangement at \$1,000 a month, or \$12,000 a year. The Foundation leased space from another church for their MS Remix program under a formal month-to-month leasing arrangement at \$200 a month, \$1,200 in total, which was terminated after March 2023 due to the consolidation of two learning centers. In addition, the Foundation utilized spaces at two other locations through May 2023 at no charge. The fair value of the rent received for these two locations, \$14,094, is included in the statement of functional expenses as rent in-kind. Actual rent during the year ended August 31, 2023 was \$13,200 which includes 6 months rent, \$1,200, for MS Remix, and 12 months rent, \$6,000, for classroom space at the NOC, and 12 months rent, \$6,000, for office space at NOC.

YOUTH LIFE FOUNDATION OF RICHMOND

Notes to the Financial Statements

August 31, 2023

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.

NOTE 8. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Foundation has \$484,156 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 \$395,249 and investments of \$100,992 less assets restricted by donors for specific purposes of \$12,085.