

*Youth Life Foundation of
Richmond*

FINANCIAL STATEMENTS

AUGUST 31, 2019

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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, 2019, 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
April 29, 2020

FINANCIAL STATEMENTS

YOUTH LIFE FOUNDATION OF RICHMOND

Statement of Assets, Liabilities and Net Assets

August 31, 2019

ASSETS

CURRENT ASSETS

Cash in bank	\$	77,605
Grants receivable		5,000
Contributions receivable		250
Prepaid insurance		<u>5,958</u>
Total current assets		<u>88,813</u>

PROPERTY AND EQUIPMENT

Vehicles		213,323
Leasehold improvements		2,064
Equipment		<u>57,664</u>
		273,051
Less accumulated depreciation		<u>190,446</u>
Total property and equipment		<u>82,605</u>

Total assets	\$	<u><u>171,418</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$	10,362
Accrued payroll and related		<u>9,424</u>
Total current liabilities		<u>19,786</u>

NET ASSETS

Without donor restrictions		140,549
With donor restrictions		<u>11,083</u>
Total net assets		<u>151,632</u>
Total liabilities and net assets	\$	<u><u>171,418</u></u>

See accompanying notes and independent accountant's review report.

YOUTH LIFE FOUNDATION OF RICHMOND

Statement of Support, Revenue and Expenses

For the Year ended August 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Scholarships	\$ -	\$ 4,404	\$ 4,404
Contributions	271,004	-	271,004
Foundation Grants	124,594	5,000	129,594
Governmental Grants	4,000	-	4,000
Fund-raising events	169,973	-	169,973
Gifts in kind	23,115	-	23,115
Other income	1,069	-	1,069
Released from restrictions	<u>30,382</u>	<u>(30,382)</u>	<u>-</u>
Total support and revenue	<u>624,137</u>	<u>(20,978)</u>	<u>603,159</u>
EXPENSES			
Program services	473,996	-	473,996
Management and general	68,396	-	68,396
Fund raising	<u>86,178</u>	<u>-</u>	<u>86,178</u>
Total expenses	<u>628,570</u>	<u>-</u>	<u>628,570</u>
CHANGE IN NET ASSETS	(4,433)	(20,978)	(25,411)
NET ASSETS			
Beginning	<u>144,982</u>	<u>32,061</u>	<u>177,043</u>
Ending	<u>\$ 140,549</u>	<u>\$ 11,083</u>	<u>\$ 151,632</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, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (25,411)
Adjustments to reconcile change in net assets to net cash used in operating activities	
Depreciation	29,266
Changes in receivables	(4,892)
Changes in prepaid insurance	120
Changes in accounts payable	333
Changes in accrued wages	<u>466</u>
Net cash used in operating activities	<u>(118)</u>

NET CHANGE IN CASH AND CASH EQUIVALENTS (118)

CASH AND CASH EQUIVALENTS

Beginning	<u>77,723</u>
Ending	<u>\$ 77,605</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, 2019

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Salaries	\$ 298,501	\$ 29,661	\$ 25,415	\$ 353,577
Payroll taxes	22,949	825	488	24,262
Employee benefits	29,022	2,244	1,103	32,369
Total salaries and related expenses	<u>350,472</u>	<u>32,730</u>	<u>27,006</u>	<u>410,208</u>
Bank fees	-	3,501	-	3,501
Depreciation	29,224	21	21	29,266
Fundraising	-	-	58,639	58,639
Insurance	14,697	4,299	-	18,996
Licenses and taxes	-	-	-	-
Miscellaneous	1,077	943	-	2,020
Office expense	-	1,414	482	1,896
Professional fees	-	11,210	-	11,210
Program supplies	18,047	2,251	-	20,298
Camp and trips	16,929	-	-	16,929
Scholarships	5,362	-	-	5,362
Rent	25,260	9,780	-	35,040
Telephone and utilities	-	2,247	-	2,247
Training and education	2,786	-	30	2,816
Travel and automobile	10,142	-	-	10,142
	<u>123,524</u>	<u>35,666</u>	<u>59,172</u>	<u>218,362</u>
Total functional expenses	<u>\$ 473,996</u>	<u>\$ 68,396</u>	<u>\$ 86,178</u>	<u>\$ 628,570</u>

See accompanying notes and independent accountant's review report.

YOUTH LIFE FOUNDATION OF RICHMOND

Notes to the Financial Statements

August 31, 2019

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.

During the year ended August 31, 2019 the Foundation applied for, and was granted, its own independent tax-exempt status.

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 (US GAAP). Accordingly, revenues and support are recognized when earned, and expenses are recognized when incurred. Cash and other assets are recorded when received. Revenues and support are considered earned when cash is 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.

(Continued)

YOUTH LIFE FOUNDATION OF RICHMOND

Notes to the Financial Statements

August 31, 2019

NOTE 1. ORGANIZATION AND NATURE OF ACTIVITIES

(Concluded)

Cash and Cash Equivalents

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

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 2016. The Foundation is not currently under audit by any tax jurisdiction.

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 categories. The Foundation recognized \$23,115 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.

Subsequent Events

Subsequent events were evaluated through April 29, 2020 which is the date the financial statements were available to be issued.

YOUTH LIFE FOUNDATION OF RICHMOND

Notes to the Financial Statements

August 31, 2019

NOTE 2. PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. 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, 2019 was \$29,266.

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, 2019, consisted of the following:

Community engagement coordinator	\$	5,000
Scholarship funds		4,719
Southwood LC		1,364
		<hr/>
Total net assets with donor restrictions	\$	11,083

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, 2019. Such funds received and released were as follows:

Mentoring activities	\$	19,000
Southwood LC		6,922
Scholarship funds		4,460
		<hr/>
Total	\$	30,382

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 \$8,891 for the year ended August 31, 2019.

YOUTH LIFE FOUNDATION OF RICHMOND

Notes to the Financial Statements

August 31, 2019

NOTE 6. 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 7. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Foundation has \$71,772 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 \$71,522, and contributions receivable of \$250.