

*Youth Life Foundation of  
Richmond*

FINANCIAL STATEMENTS

AUGUST 31, 2020

## 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 - 9

**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, 2020, 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 21, 2020

## **FINANCIAL STATEMENTS**

**YOUTH LIFE FOUNDATION OF RICHMOND**  
Statement of Financial Position  
August 31, 2020  
With Comparative Amounts for Year Ended August 31, 2019

**ASSETS**

<b>CURRENT ASSETS</b>	<u>2020</u>	<u>2019</u>
Cash in bank	\$ 173,724	\$ 77,605
Grants receivable	-	5,000
Contributions receivable	-	250
Prepaid insurance	<u>6,215</u>	<u>5,958</u>
Total current assets	<u>179,939</u>	<u>88,813</u>
 <b>PROPERTY AND EQUIPMENT</b>		
Vehicles	213,323	213,323
Leasehold improvements	11,967	2,064
Equipment	<u>59,564</u>	<u>57,664</u>
	284,854	273,051
Less accumulated depreciation	<u>216,948</u>	<u>190,446</u>
Total property and equipment	<u>67,906</u>	<u>82,605</u>
 Total assets	 <u>\$ 247,845</u>	 <u>\$ 171,418</u>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 10,082	\$ 10,362
Accrued payroll and related	<u>11,922</u>	<u>9,424</u>
Total current liabilities	<u>22,004</u>	<u>19,786</u>
 <b>LONG-TERM LIABILITIES</b>		
Deferred revenue	<u>72,500</u>	<u>-</u>
Total Liabilities	<u>94,504</u>	<u>19,786</u>
 <b>NET ASSETS</b>		
Without donor restrictions	124,267	140,549
With donor restrictions	<u>29,074</u>	<u>11,083</u>
Total net assets	<u>153,341</u>	<u>151,632</u>
Total liabilities and net assets	<u>\$ 247,845</u>	<u>\$ 171,418</u>

See accompanying notes and independent accountant's review report.

**YOUTH LIFE FOUNDATION OF RICHMOND**  
Statement of Activities  
For the Year ended August 31, 2020  
With Comparative Amounts for Year Ended August 31, 2019

	<b>Without Donor <u>Restrictions</u></b>	<b>With Donor <u>Restrictions</u></b>	<b>Total</b>	
			<b><u>2020</u></b>	<b><u>2019</u></b>
<b>SUPPORT AND REVENUE</b>				
Scholarships	\$ -	\$ 4,295	\$ 4,295	\$ 4,404
Contributions	349,898	-	349,898	271,004
Foundation grants	36,210	20,000	56,210	129,594
Governmental grants	-	-	-	4,000
Fund-raising events	10,733	-	10,733	169,973
Gifts in kind	35,022	-	35,022	23,115
Other income	890	-	890	1,069
Payroll Protection Program loan funds	75,000	-	75,000	-
EIDL loan funds	10,000	-	10,000	-
Released from restrictions	11,304	(11,304)	-	-
Total support and revenue	529,057	12,991	542,048	603,159
<b>EXPENSES</b>				
Program services	451,772	-	451,772	473,996
Management and general	76,524	-	76,524	68,396
Fund raising	12,043	-	12,043	86,178
Total expenses	540,339	-	540,339	628,570
<b>CHANGE IN NET ASSETS</b>	(11,282)	12,991	1,709	(25,411)
<b>NET ASSETS</b>				
Beginning	144,982	11,083	151,632	177,043
Ending	\$ 133,700	\$ 24,074	\$ 153,341	\$ 151,632

See accompanying notes and independent accountant's review report.

**YOUTH LIFE FOUNDATION OF RICHMOND**  
Statement of Cash Flows  
For the Year ended August 31, 2020  
With Comparative Amounts for the Year Ended August 31, 2019

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,709	\$ (25,411)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation	26,503	29,266
Changes in receivables	5,250	(4,892)
Changes in prepaid insurance	(257)	120
Changes in accounts payable	(280)	333
Changes in accrued wages	2,498	466
Changes in deferred revenue	<u>72,500</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u>107,923</u>	<u>(118)</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	<u>(11,804)</u>	<u>-</u>
 <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	 96,119	 (118)
 <b>CASH AND CASH EQUIVALENTS</b>		
Beginning	<u>77,605</u>	<u>77,723</u>
 Ending	 <u>\$ 173,724</u>	 <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, 2020  
With Comparative Totals for Year Ended August 31, 2019

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>	
				<u>2020</u>	<u>2019</u>
Salaries	\$ 276,043	\$ 41,636	\$ 6,777	\$ 324,456	\$ 353,577
Payroll taxes	21,356	847	505	22,708	24,262
Employee benefits	44,152	1,629	977	46,758	32,369
Total salaries and related expenses	<u>341,551</u>	<u>44,112</u>	<u>8,259</u>	<u>393,922</u>	<u>410,208</u>
Bank fees	-	2,624	-	2,624	3,501
Depreciation	25,901	602	-	26,503	29,266
Fundraising	-	-	2,425	2,425	58,639
Insurance	13,583	3,126	-	16,709	18,996
Licenses and taxes	-	-	-	-	-
Miscellaneous	1,099	-	-	1,099	2,020
Office expense	35	1,494	1,359	2,888	1,896
Professional fees	-	9,144	-	9,144	11,210
Program supplies	19,382	-	-	19,382	20,298
Camp and trips	3,410	-	-	3,410	16,929
Scholarships	5,066	-	-	5,066	5,362
Rent	32,552	14,080	-	46,632	35,040
Telephone and utilities	-	1,342	-	1,342	2,247
Training and education	2,904	-	-	2,904	2,816
Travel and automobile	6,289	-	-	6,289	10,142
	<u>110,221</u>	<u>32,412</u>	<u>3,784</u>	<u>146,417</u>	<u>218,362</u>
Total functional expenses	<u>\$ 451,772</u>	<u>\$ 76,524</u>	<u>\$ 12,043</u>	<u>\$ 540,339</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, 2020

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### 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 (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, 2020

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### 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 2017. 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 \$35,022 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 December 21, 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, 2020

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### 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, 2020 was \$26,503.

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, 2020, consisted of the following:

Scholarship funds	\$	4,074
Altria		<u>20,000</u>
Total net assets with donor restrictions	\$	<u>24,074</u>

### 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, 2020. Such funds received and released were as follows:

Dominion	\$	5,000
Southwood LC		<u>1,364</u>
Total	\$	<u>6,364</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 \$7,839 for the year ended August 31, 2020.

# YOUTH LIFE FOUNDATION OF RICHMOND

## Notes to the Financial Statements

August 31, 2020

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### 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 \$173,724 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 \$173,724.

### NOTE 8. PAYCHECK PROTECTION PROGRAM LOAN

During March 2020, the COVID-19 virus was declared a global pandemic. In response to this, the Coronavirus Aid, Relief and Economic Security ("CARES") Act was created. Among other things, the CARES Act outlines the provisions of the Payroll Protection Program (the "PPP"). The Foundation determined that it met the criteria for eligibility to obtain a loan under the PPP since, in light of the COVID-19 outbreak and the uncertainty of economic conditions related thereto, the loan was necessary to support the Foundation's ongoing operations.

In April 2020, the Foundation applied for and received funding under the Payroll Protection Program in the amount of \$75,000. The loan is administered by the Small Business Administration (the "SBA"). The Foundation is eligible for loan forgiveness of up to 100% of the loan upon meeting certain requirements, which management feels have been met. The loan is uncollateralized and is fully guaranteed by the Federal government. Pending further guidance by the SBA, the Foundation intends to apply for loan forgiveness at the earliest possible date. In the event the SBA determines the organization has not met the terms for forgiveness, the loan will be repaid with an interest rate of 1% over the course of 18 months, as per the terms of the agreement.

### NOTE 9. DEFERRED REVENUE

As of August 31, 2020, the Foundation had received \$72,500 related to a fundraising event that took place in September 2020. This amount is shown as deferred revenue in the Statement of Activities. The total amount of \$72,500 was recognized as revenue once the event took place.