

YOUTH VOLUNTEER CORPS
FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2020 AND 2019



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**YOUTH VOLUNTEER CORPS
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YEARS ENDED MARCH 31, 2020 AND 2019**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Youth Volunteer Corps
Kansas City, Missouri

We have audited the accompanying financial statements of Youth Volunteer Corps (a nonprofit organization) (the Organization), which comprises the statements of financial position as of March 31, 2020 and 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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 auditors' 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 Organization'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 Organization'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 Youth Volunteer Corps as of March 31, 2020 and 2019 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2019 the Organization adopted Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606) and ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to this matter.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Overland Park, Kansas
August 24, 2020

**YOUTH VOLUNTEER CORPS
STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2020 AND 2019**

ASSETS	2020	2019
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 636,204	\$ 439,572
Investments, at Fair Value	230,210	285,884
Accounts Receivable:		
Grants	33,258	205,707
Pledges	1,842	-
In-Kind Pledges, Net	17,754	22,059
Affiliate Sites	-	6,717
Interest	246	240
Prepaid Expenses	6,385	885
Total Current Assets	925,899	961,064
PROPERTY AND EQUIPMENT		
Leasehold Improvements	4,450	4,450
Fixtures and Equipment	46,398	48,398
Vehicles	16,349	-
Software and Websites	83,389	80,537
Total Property and Equipment	150,586	133,385
Less: Accumulated Depreciation	94,566	73,564
Net Property and Equipment	56,020	59,821
OTHER ASSETS		
Grants Receivable, Net of Current Portion	-	25,000
Trademarks	6,208	6,208
Security Deposit	2,083	2,083
Total Other Assets	8,291	33,291
Total Assets	\$ 990,210	\$ 1,054,176
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 26,560	\$ 7,849
Accrued Liabilities	21,756	15,517
Grants Payable	19,540	66,865
Total Current Liabilities	67,856	90,231
NET ASSETS		
Without Donor Restrictions:		
Undesignated	463,509	478,587
Board-Designated	6,521	2,000
Total Without Donor Restrictions:	470,030	480,587
With Donor Restrictions	452,324	483,358
Total Net Assets	922,354	963,945
Total Liabilities and Net Assets	\$ 990,210	\$ 1,054,176

See accompanying Notes to Financial Statements.

YOUTH VOLUNTEER CORPS
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED MARCH 31, 2020 AND 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE						
Contributions:						
Individuals	\$ 146,643	\$ 36,336	\$ 182,979	\$ 153,337	\$ 29,253	\$ 182,590
Corporations	27,315	113,526	140,841	45,523	31,309	76,832
Foundations	15,700	601,792	617,492	20,816	534,797	555,613
Total Contributions	<u>189,658</u>	<u>751,654</u>	<u>941,312</u>	<u>219,676</u>	<u>595,359</u>	<u>815,035</u>
Grants	-	33,536	33,536	-	46,576	46,576
Affiliate Sites	65,675	7,400	73,075	64,485	8,000	72,485
Investment Income (Loss)	(8,796)	-	(8,796)	29,400	-	29,400
Other Revenue	-	-	-	3,045	-	3,045
Net Assets Released From Restriction:						
Satisfaction of Purpose Restrictions	800,906	(800,906)	-	778,623	(778,623)	-
Satisfaction of Time Restrictions	22,718	(22,718)	-	19,270	(19,270)	-
Total Revenue	<u>1,070,161</u>	<u>(31,034)</u>	<u>1,039,127</u>	<u>1,114,499</u>	<u>(147,958)</u>	<u>966,541</u>
EXPENSES						
Program Services	876,405	-	876,405	876,889	-	876,889
Management and General	64,519	-	64,519	59,168	-	59,168
Fundraising	139,794	-	139,794	132,707	-	132,707
Total Expenses	<u>1,080,718</u>	<u>-</u>	<u>1,080,718</u>	<u>1,068,764</u>	<u>-</u>	<u>1,068,764</u>
CHANGE IN NET ASSETS	(10,557)	(31,034)	(41,591)	45,735	(147,958)	(102,223)
Net Assets - Beginning Of Year	<u>480,587</u>	<u>483,358</u>	<u>963,945</u>	<u>434,852</u>	<u>631,316</u>	<u>1,066,168</u>
NET ASSETS - END OF YEAR	<u>\$ 470,030</u>	<u>\$ 452,324</u>	<u>\$ 922,354</u>	<u>\$ 480,587</u>	<u>\$ 483,358</u>	<u>\$ 963,945</u>

See accompanying Notes to Financial Statements.

**YOUTH VOLUNTEER CORPS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2020**

	Program Services	Support Activities		Total Expenses
	Affiliate Development	Management and General	Fundraising	
Salaries and Benefits	\$ 524,482	\$ 36,176	\$ 109,778	\$ 670,436
Affiliate Support and Programming	194,240	27	78	194,345
Rent	85,366	7,168	15,783	108,317
Travel	15,982	185	528	16,695
Professional and Consulting	-	17,919	3,547	21,466
Depreciation	19,695	1,132	3,573	24,400
Insurance	4,247	295	840	5,382
Information Technology	12,521	802	2,761	16,084
Printing and Production	4,909	-	788	5,697
Telephone and Communication	4,154	86	87	4,327
Office Supplies	3,485	263	580	4,328
Training and Staff Development	4,514	209	937	5,660
Miscellaneous	2,810	257	514	3,581
Total Expenses by Function	\$ 876,405	\$ 64,519	\$ 139,794	\$ 1,080,718

See accompanying Notes to Financial Statements.

**YOUTH VOLUNTEER CORPS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2019**

	Program Services	Support Activities		Total Expenses
	Affiliate Development	Management and General	Fundraising	
Salaries and Benefits	\$ 383,761	\$ 35,999	\$ 97,604	\$ 517,364
Affiliate Support and Programming	359,059	122	340	359,521
Rent	68,255	6,376	17,688	92,319
Travel	10,804	400	1,110	12,314
Professional and Consulting	-	13,540	5,644	19,184
Depreciation	13,258	471	1,308	15,037
Insurance	2,500	233	648	3,381
Information Technology	12,515	892	2,632	16,039
Printing and Production	8,560	-	2,735	11,295
Telephone and Communication	4,923	157	157	5,237
Office Supplies	7,401	659	1,827	9,887
Training and Staff Development	4,414	293	688	5,395
Miscellaneous	1,439	26	326	1,791
Total Expenses by Function	\$ 876,889	\$ 59,168	\$ 132,707	\$ 1,068,764

See accompanying Notes to Financial Statements.

**YOUTH VOLUNTEER CORPS
STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2020 AND 2019**

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (41,591)	\$ (102,223)
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided (Used) by Operating Activities:		
Realized and Unrealized Gains (Losses) on Investments, Net	16,335	(21,776)
Donated Office Space	4,305	(2,789)
Depreciation	24,400	15,037
Effects of Changes in Operating Assets and Liabilities:		
Grants Receivable	197,449	(230,707)
Pledges Receivable	(1,842)	250
Affiliate Sites Receivable	6,717	(6,717)
Interest Receivable	(6)	(150)
Prepaid Expenses	(5,500)	2,616
Accounts Payable	18,711	2,162
Accrued Liabilities	6,239	(7,056)
Grants Payable	(47,325)	66,865
Net Cash Provided (Used) by Operating Activities	177,892	(284,488)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(20,599)	(39,159)
Purchases of Investment Securities	(10,661)	(6,232)
Proceeds from Sale of Investment Securities	50,000	50,221
Net Cash Provided by Investing Activities	18,740	4,830
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	196,632	(279,658)
Cash and Cash Equivalents - Beginning of Year	439,572	719,230
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 636,204	\$ 439,572

See accompanying Notes to Financial Statements.

**YOUTH VOLUNTEER CORPS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Youth Volunteer Corps (the Organization) was incorporated as a Missouri nonprofit corporation in 1991. The Organization was organized to create volunteer opportunities to address community needs and to inspire youth for a lifetime commitment to service. The Organization is primarily funded by contributions from foundations, corporations, and individuals, as well as by government grants.

The Organization is located in over 30 communities across the United States and Canada and recruits teams of diverse youth between the ages of 11 and 18 to perform service learning projects in their communities. The projects address unmet needs of the community while promoting a lifetime ethic of service among young people.

The Organization's primary responsibility is to act as an international headquarters and to support its affiliates, which are essentially the Organization's programs sponsored by community or government organizations such as a local YMCA or United Way. The Organization does not own or control any of these community or government organizations, nor are any of them fiscally dependent upon the Organization or vice versa.

Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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, expenses, gains, losses, and other changes in net assets during the reporting period. Significant estimates incorporated into the Organization's financial statements include the estimated useful lives of depreciable assets, the value of in-kind contributions related to discounted rental payments to be received in future periods, and the allocation of costs between functional cost centers. Actual results could differ from those estimates.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. This category includes board-designated net assets.

**YOUTH VOLUNTEER CORPS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Organization does not have any perpetually restricted assets for the years ended March 31, 2020 and 2019.

Basis of Accounting

The accounts of the Organization are maintained on the accrual basis of accounting in accordance with principles of fund accounting. Separate accounts are maintained for each fund. However, the accompanying financial statements have been prepared on a basis which shows the financial position and changes in net assets of the Organization in total. Funds with similar characteristics have been combined for financial statement presentation.

Contributions

Contributions received are recorded as with or without donor restrictions depending on the existence or nature of any donor restrictions. When a restriction expires, reclassifications are made from net assets with donor restrictions to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restriction.

In-Kind Contributions

In-kind contributions consist of goods and services donated to the Organization. These have been reflected in the financial statements at their estimated fair value at the date of donation.

Office space rent, advertising services, donated stock, and federal grant assistance are reflected as contributions and grant revenue at their estimated values at date of receipt.

The Organization records in-kind support for contributed services if these services (a) create or enhance long-lived assets or (b) require specialized skills, are provided by an individual possessing those skills, and would typically need to be purchased if not provided by donation. Such support could be used in program activities of the Organization as well as in fundraising and administrative activities. The value of services meeting these requirements, to the extent measurable, is reflected in the accompanying financial statements.

The Organization receives a substantial amount of support from nonprofessional volunteer services that do not meet the criteria listed above. These nonprofessional volunteers donate services for fundraising, education, and administration that are not valued or recorded in the statements of activities and changes in net assets.

**YOUTH VOLUNTEER CORPS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash equivalents for the purposes of the statements of cash flows consist of cash in operating bank accounts and certificates of deposit and are recorded at cost.

Investments

Investments include equity mutual funds, which are carried at fair value, with realized and unrealized gains and losses on investments reported as increases or decreases in net assets without donor restriction or net assets with donor restriction based upon donor-imposed restrictions. The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the Organization's financial statements.

Grants Receivable

Grants are recognized when the grant letter is received, absent the presence of conditional provisions, and are classified as net assets with donor restriction if time or purpose restrictions are present. No allowance for doubtful accounts is recorded for grants as of March 31, 2020 and 2019, as management does not believe the required amount of such an allowance would be material to the financial statements.

Pledges Receivable

Pledges are recorded when received and determined to be unconditional. Allowances are provided for amounts estimated to be uncollectible. No allowance for doubtful accounts is recorded for pledges as of March 31, 2020 or 2019, as management does not believe the required amount of such an allowance would be material to the financial statements. Pledges receivable are expected to be collected within one year as of March 31, 2020 and 2019.

Property and Equipment

The Organization's property and equipment are carried at cost if purchased, and fair value as of the contribution date if contributed. The cost of property and equipment purchased in excess of \$1,000 is capitalized. Depreciation is provided for using the straight-line method over the estimated useful lives of the respective assets, which is generally three to seven years. Repair and maintenance costs are charged to expense as incurred.

**YOUTH VOLUNTEER CORPS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of Long-Lived Assets

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets held for sale are reported at the lower of their carrying amount or fair value less costs to sell.

Income Taxes

No provision for income taxes is included in the statements of activities and changes in net assets since the Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Organization accounts for income taxes in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, *Accounting for Income Taxes*, which provides guidance on how to measure and account for various tax positions. The Organization has determined that no material unrecognized tax benefits or liabilities exist as of March 31, 2020 for the Organization. If applicable, the Organization will recognize interest and penalties related to the underpayment of income taxes in the year incurred. The Organization is not at the present time under examination by any taxing authority. The Organization follows the standard for evaluating uncertain tax positions and has determined no liability should be recorded.

Revenue Recognition

Revenue is recognized when earned. The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Bequests are recognized upon the death of the donor at the amount estimated to be received by the Organization. Exchange transaction revenue from program services are recognized proportionately to when the service is provided or the rights of ownership transfers, thus, monies received before the program begins are classified as deferred revenues.

Functional Expenses

The costs of providing the Organization's program and other support activities have been summarized on a functional basis in the statements of activities and changes in net assets. Certain costs have been allocated between the program and support services benefited as depicted in the accompanying statements of functional expenses. Expenses that can be identified with the program specifically or with support services are assigned directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated based on management's estimate of resources devoted to the program or support services according to formulas developed by management to appropriately reflect costs and efforts expended on each program or support service.

**YOUTH VOLUNTEER CORPS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncement Effective in Future Accounting Period

In February 2016, FASB issued Accounting Standards Update (ASU) 2016-02 *Leases* (Topic 842). This update increases transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. After approved delays in the effective date, ASU 2016-02 is effective for the Organization for the fiscal year ending March 31, 2023. Management will be evaluating the effects of this new standard.

NOTE 2 CHANGE IN ACCOUNTING PRINCIPLE

For the year ended March 31, 2020, the Organization adopted FASB ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). Subsequent to May 2014, the FASB issued six ASUs to clarify certain matters related to Topic 606. Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, *Revenue Recognition*, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The updates address the complexity of revenue recognition and provide sufficient information to enable financial statement users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Organization's financial statements reflect the application of ASC 606 guidance beginning in 2019. No cumulative-effect adjustment in net assets was recorded because the adoption of ASU 2014-09 did not impact the Organization's reported historical revenue. The Organization's main revenue streams are scoped out of Topic 606.

In 2019, the Organization adopted FASB ASU 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. This update clarified and improved guidance about whether a transfer of assets (or the reduction, settlement, or cancellation of liabilities) is a contribution or an exchange transaction. There is no material impact on the financial statements, as such, there have been no related reclassifications on previously presented changes in net assets or total net assets.

NOTE 3 LIQUIDITY AND AVAILABILITY

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents and investments.

YOUTH VOLUNTEER CORPS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020 AND 2019

NOTE 3 LIQUIDITY AND AVAILABILITY (CONTINUED)

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Refer to the statement of cash flows which identifies the sources and uses of the Organization's cash for fiscal year 2020 and 2019.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	2020	2019
Cash and Cash Equivalents	\$ 636,204	\$ 439,572
Investments	230,210	285,884
Grants Receivable	33,258	205,707
Pledges Receivable	1,842	-
Affiliate Sites Receivable	-	6,717
Interest Receivable	246	240
Total Financial Assets	901,760	938,120
Contractual or Donor-Imposed Restrictions:		
Cash Restricted to Specific Uses	(399,470)	(230,592)
Grants Restricted to Specific Uses	(33,258)	(205,707)
Pledges Restricted to Specific Uses	(1,842)	-
Total Restrictions Imposed	(434,570)	(436,299)
Board Designations:		
Beneficial Interests in Community Foundations	(4,521)	-
Sloan Scholarship	(2,000)	(2,000)
Total Board Designations	(6,521)	(2,000)
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	\$ 460,669	\$ 499,821

Amounts in the board-designated scholarship could be made available if necessary.

NOTE 4 CONCENTRATION OF CREDIT RISK

Financial instruments, which subject the Organization to concentration of credit risk, consist of demand deposits, certificates of deposit, and mutual funds that are held by financial institutions. In the normal course of business operations, the Organization may have funds on deposit in various financial institutions in excess of federal and other insurance limits. The Organization had no uninsured balances at March 31, 2020.

YOUTH VOLUNTEER CORPS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020 AND 2019

NOTE 5 FAIR VALUE MEASUREMENTS

FASB ASC 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes 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 unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

Mutual Funds: Valued at the daily closing price as reported by the fund. The mutual funds held by the Organization are deemed to be actively traded (Level 1).

Beneficial Interest in Community Foundations: Value is equal to the principal contributed by the Organization or on its behalf, plus the earnings allocated to it by the Foundation.

The following table presents assets measured at fair value on a recurring basis at March 31:

	2020		
	Level 1	Level 2	Level 3
Mutual Funds	\$ 225,689	\$ -	\$ -
Beneficial Interest in Community Foundations	-	-	4,521
Total	<u>\$ 225,689</u>	<u>\$ -</u>	<u>\$ 4,521</u>
	2019		
	Level 1	Level 2	Level 3
Mutual Funds	\$ 285,884	\$ -	\$ -
Total	<u>\$ 285,884</u>	<u>\$ -</u>	<u>\$ -</u>

**YOUTH VOLUNTEER CORPS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020 AND 2019**

NOTE 5 FAIR VALUE MEASUREMENTS (CONTINUED)

The beneficial interest in community foundations had no unfounded commitments, no restrictions on redemption frequency, and no redemption notice period at March 31, 2020.

The following is a reconciliation of the beginning and ending balances of assets and liabilities measured at fair value on a recurring basis using significant unobservable (Level 3) inputs during the years ended March 31, 2020 and 2019:

Balance - March 31, 2019	\$	-
Contributions		5,000
Change in Fair Market Value		(479)
Balance - March 31, 2020	<u>\$</u>	<u>4,521</u>

NOTE 6 OTHER ASSETS

Other assets consist of the following at March 31:

	<u>2020</u>	<u>2019</u>
Trademarks:		
Word Mark	\$ 4,163	\$ 4,163
Design Mark	2,045	2,045
Office Rent Deposit	<u>2,083</u>	<u>2,083</u>
Total	<u>\$ 8,291</u>	<u>\$ 8,291</u>

The trademarks are comprised of the associated legal and filings costs as part of the trademark registration process and are considered to have an indefinite life; therefore, no amortization has been recorded as of March 31, 2020 or 2019. Additionally, no impairment has been recorded as of March 31, 2020 or 2019.

NOTE 7 LEASE COMMITMENTS

The Organization leased office space during the years ended March 31, 2020 and 2019 under a cancelable operating lease. The prior year lease expired in August 2017 and the new lease began January 2018. A second cancelable lease agreement was entered into for additional office space beginning October 2018. Total lease expense was \$108,317 in 2019 and \$92,319 in 2018, of which \$47,581 and \$44,107, respectively, was considered to be an in-kind contribution from the landlord. If the leases are continued, future minimum lease commitments for these leases are as follows:

<u>Fiscal Year Ending March 31,</u>	<u>Amount</u>
2021	\$ 49,512
2022	43,904
2023	33,790
Total	<u>\$ 127,206</u>

**YOUTH VOLUNTEER CORPS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020 AND 2019**

NOTE 8 BENEFICIAL INTEREST IN COMMUNITY FOUNDATION

On January 27, 2014, a donor established the Adele Hall Joy of Serving Fund (the Fund) at the Greater Kansas City Community Foundation (GKCCF). The establishing document called for GKCCF to distribute annual net income from the Fund to the Organization as follows: "25% of the annual net income shall be used for innovative programs and best practices in Kansas City which may be exported nationally and 75% of the annual net income shall be used for expenses of the Organization."

After the fifteenth anniversary of the date of this establishing document, if the Organization meets certain conditions then it will become the advisor to the Fund and may request distributions of income and principal from the Fund at any time for any charitable purpose in its discretion. If, instead, the Organization ceases to exist then GKCCF can make distributions from the income and principal of the Fund in their discretion to another organization that meets certain requirements outlined in the establishing document.

The establishing document grants GKCCF variance power to modify a restriction or condition on the distribution of funds for any specific charitable purpose or to specified charitable organizations. As a result, the Organization has not recorded the principal of the Fund and only records contribution revenue upon receipt of distributions from the Fund.

The Organization received annual distributions from the Fund in the amount of \$103,249 and \$99,254 during the years ended March 31, 2020 and 2019, respectively.

NOTE 9 PROGRAM REVENUES

Program revenues are earned primarily through affiliate fees and sales of materials to affiliates. The Organization receives an annual fee from affiliates in exchange for the program model, training, ongoing support, and resources necessary to run a successful program. These fees are recognized by the Organization's over the course of their fiscal year. Additionally, revenue generated from the annual gathering of affiliates is recognized in the fiscal year that the gathering occurs. The Organization does, on occasion, take deposits for items that will be delivered at a future date. In those cases, a liability would be recognized until the future date occurs. At December 31, 2020 and 2019, there were no receivables or unearned revenue related to program revenues.

**YOUTH VOLUNTEER CORPS
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NOTE 10 CONTRIBUTED GOODS AND SERVICES

In-kind contributions were recorded as follows for the years ended March 31:

	<u>2020</u>	<u>2019</u>
Contributions:		
Office Space - Current Year	\$ 47,581	\$ 44,107
Office Space - Future Years	17,754	22,059
Advertising Services	16,949	4,252
Stock	-	15,361
Federal Grants:		
AmeriCorps VISTA	33,536	46,576
Total In-Kind Contributions	<u>\$ 115,820</u>	<u>\$ 132,355</u>

NOTE 11 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purpose or time periods at March 31:

	<u>2020</u>	<u>2019</u>
Subject to Purpose Restriction:		
Don and Jean Sloan Scholarship Fund	\$ 750	\$ 1,750
Adele Hall Joy of Serving Fund	25,812	24,814
Program Expenses	47,429	50,010
Leadership Academy and HQ Hosted Sites	61,956	236,652
Summit Sponsorships	1,500	800
Construction Related Service Projects	295,281	147,273
Total Subject to Purpose Restriction	<u>432,728</u>	<u>461,299</u>
Subject to Time Restriction:		
Pledges Receivable	1,842	-
In-Kind Pledges Receivable, Net	17,754	22,059
Total Subject to Time Restriction	<u>19,596</u>	<u>22,059</u>
Total With Donor Restrictions	<u>\$ 452,324</u>	<u>\$ 483,358</u>

NOTE 12 RELATED PARTY TRANSACTIONS

For the year ended March 31, 2020, approximately 8% of total contributions revenue originated from board members, key management, staff, and their immediate family members. For the year ended March 31, 2019, approximately 7% of total contributions revenue originated from board members, key management, staff, and their immediate family members.

**YOUTH VOLUNTEER CORPS
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NOTE 13 BOARD-DESIGNATED ENDOWMENT

The Organization’s endowment consists of one fund, established with the Greater Kansas City Community Foundation, to support the sustainability of the Organization’s programs. The endowment was set up by the Organization using funds without donor restriction. The board designated the donation to function as an endowment. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The board of the Organization has interpreted Missouri’s enactment of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the board-designated endowment funds, absent explicit donor stipulations to the contrary. Consequently, the Organization classifies board-designated endowed funds as:

- The original value of gifts donated to the endowment, and
- The original value of subsequent gifts to the endowment.

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the programs supported by the endowments. The endowment assets are invested in a manner to produce results similar to the S&P 500 index while assuming a moderate level of investment risk.

Spending Policy

The spending rate distributed at the beginning of each fiscal year is to be 5% of the prior three-year rolling average of the endowment fund balance as provided by the Greater Kansas City Community Foundation.

In establishing this policy, the Organization considered the long-term expected returns on its endowment investments. Accordingly, over the long-term, the Organization expects the current spending policy will allow its endowment to retain the original corpus of the gift.

Strategies Employed for Achieving Objectives

The Organization relies on a total return strategy in which investment returns are achieved through capital appreciation and current yield (interest and dividends). The Organization targets a diversified asset allocation to achieve its long-term objectives within prudent risk constraints.

Endowment net assets composition by type of fund as of March 31, 2020:

	Without Donor Restriction	With Donor Restriction	Total
Board-Designated Endowment Funds	\$ 4,521	\$ -	\$ 4,521
Total Funds	\$ 4,521	\$ -	\$ 4,521

**YOUTH VOLUNTEER CORPS
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NOTE 13 BOARD-DESIGNATED ENDOWMENT (CONTINUED)

Strategies Employed for Achieving Objectives (Continued)

Changes in endowment net assets for the fiscal year ended March 31, 2020:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Net Assets - Beginning of Year	\$ -	\$ -	\$ -
Contributions	5,000	-	5,000
Investment Loss	(479)	-	(479)
Total Funds	<u>\$ 4,521</u>	<u>\$ -</u>	<u>\$ 4,521</u>

NOTE 14 ECONOMIC RISKS

The Organization invests in investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the Organization's financial statements.

NOTE 15 CONCENTRATION OF REVENUE RISK

For the year ended March 31, 2020, two donors contributed approximately 65% of total contribution revenue. For the year ended March 31, 2019, three donors contributed approximately 71% of total contribution revenue.

NOTE 16 SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 24, 2020, the date which the financial statements were available for issue.

The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. COVID-19 may impact various parts of the Organization's 2021 operations and financial results. The Organization was awarded a Payroll Protection Program promissory note totaling \$118,600 in April 2020 due two years from the loan origination. Management believes they have taken the appropriate steps to combat these economic impacts of COVID-19, however, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year-end and are still developing.

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