

YOUTH VOLUNTEER CORPS
FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2022 AND 2021



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**YOUTH VOLUNTEER CORPS
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YEARS ENDED MARCH 31, 2022 AND 2021**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Youth Volunteer Corps
Kansas City, Missouri

Report on the Audit of the Financial Statements

Opinion

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, 2022 and 2021, 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.

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, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Youth Volunteer Corps and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Youth Volunteer Corps' ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit 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 Youth Volunteer Corps' internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Youth Volunteer Corps' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



CliftonLarsonAllen LLP

Overland Park, Kansas
August 24, 2022

**YOUTH VOLUNTEER CORPS
STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 515,315	\$ 837,424
Investments, at Fair Value	721,221	457,770
Accounts Receivable:		
Accounts Receivable	-	10,281
Grants	510,054	507,333
Pledges	1,615	395
In-Kind Pledges, Net	23,078	23,084
Interest	-	3
Prepaid Expenses	534	1,005
Total Current Assets	<u>1,771,817</u>	<u>1,837,295</u>
PROPERTY AND EQUIPMENT		
Leasehold Improvements	4,450	4,450
Fixtures and Equipment	46,398	46,398
Vehicles	16,349	16,349
Software and Websites	83,389	83,389
Total Property and Equipment	<u>150,586</u>	<u>150,586</u>
Less: Accumulated Depreciation	<u>131,630</u>	<u>117,687</u>
Net Property and Equipment	18,956	32,899
OTHER ASSETS		
Grants Receivable, Net of Current Portion	-	500,000
Trademarks	6,208	6,208
Security Deposit	2,083	2,083
Total Other Assets	<u>8,291</u>	<u>508,291</u>
Total Assets	<u><u>\$ 1,799,064</u></u>	<u><u>\$ 2,378,485</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 72,176	\$ 20,389
Accrued Liabilities	29,897	29,732
Grants Payable	18,615	68,617
Deferred Revenue	-	125,500
Total Current Liabilities	<u>120,688</u>	<u>244,238</u>
NET ASSETS		
Without Donor Restrictions:		
Undesignated	621,305	803,307
Board-Designated	460,444	204,945
Total Without Donor Restrictions:	<u>1,081,749</u>	<u>1,008,252</u>
With Donor Restrictions	596,627	1,125,995
Total Net Assets	<u>1,678,376</u>	<u>2,134,247</u>
Total Liabilities and Net Assets	<u><u>\$ 1,799,064</u></u>	<u><u>\$ 2,378,485</u></u>

See accompanying Notes to Financial Statements.

YOUTH VOLUNTEER CORPS
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED MARCH 31, 2022 AND 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE						
Contributions:						
Individuals	\$ 172,799	\$ 36,126	\$ 208,925	\$ 143,729	\$ 28,707	\$ 172,436
Corporations	23,556	90,321	113,877	29,009	51,749	80,758
Foundations	2,500	85,500	88,000	5,450	1,739,315	1,744,765
Total Contributions	198,855	211,947	410,802	178,188	1,819,771	1,997,959
Grants	-	39,432	39,432	-	37,723	37,723
Refundable Grants	-	125,500	125,500	-	118,600	118,600
Affiliate Sites	43,121	-	43,121	38,054	-	38,054
Investment Income (Loss)	33,044	-	33,044	128,250	-	128,250
Other Revenue	104	-	104	-	-	-
Net Assets Released From Restriction:						
Satisfaction of Purpose Restrictions	905,467	(905,467)	-	873,099	(873,099)	-
Satisfaction of Time Restrictions	780	(780)	-	1,946	(1,946)	-
Change in Donor Restriction	-	-	-	427,378	(427,378)	-
Total Revenue	1,181,371	(529,368)	652,003	1,646,915	673,671	2,320,586
EXPENSES						
Program Services	907,434	-	907,434	885,380	-	885,380
Management and General	115,332	-	115,332	75,391	-	75,391
Fundraising	85,108	-	85,108	147,922	-	147,922
Total Expenses	1,107,874	-	1,107,874	1,108,693	-	1,108,693
CHANGE IN NET ASSETS	73,497	(529,368)	(455,871)	538,222	673,671	1,211,893
Net Assets - Beginning Of Year	1,008,252	1,125,995	2,134,247	470,030	452,324	922,354
NET ASSETS - END OF YEAR	<u>\$ 1,081,749</u>	<u>\$ 596,627</u>	<u>\$ 1,678,376</u>	<u>\$ 1,008,252</u>	<u>\$ 1,125,995</u>	<u>\$ 2,134,247</u>

See accompanying Notes to Financial Statements.

**YOUTH VOLUNTEER CORPS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2022**

	Program Services	Support Activities		Total
	Affiliate Development	Management and General	Fundraising	Expenses
Salaries and Benefits	\$ 554,753	\$ 75,231	\$ 70,118	\$ 700,102
Affiliate Support and Programming	189,624	33	29	189,686
Rent	87,604	13,787	9,308	110,699
Travel	3,729	-	-	3,729
Professional and Consulting	-	21,845	1,403	23,248
Depreciation	13,646	158	140	13,944
Insurance	8,934	713	630	10,277
Information Technology	13,094	1,990	1,758	16,842
Printing and Production	13,901	-	283	14,184
Telephone and Communication	7,571	158	158	7,887
Office Supplies	1,444	238	202	1,884
Training and Staff Development	6,980	915	773	8,668
Miscellaneous	6,154	264	306	6,724
Total Expenses by Function	<u>\$ 907,434</u>	<u>\$ 115,332</u>	<u>\$ 85,108</u>	<u>\$ 1,107,874</u>

See accompanying Notes to Financial Statements.

**YOUTH VOLUNTEER CORPS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2021**

	Program Services	Support Activities		Total
	Affiliate Development	Management and General	Fundraising	Expenses
Salaries and Benefits	\$ 544,113	\$ 46,597	\$ 119,041	\$ 709,751
Affiliate Support and Programming	206,391	-	-	206,391
Rent	72,147	7,054	18,013	97,214
Travel	1,439	54	138	1,631
Professional and Consulting	-	18,859	3,537	22,396
Depreciation	22,014	383	724	23,121
Insurance	4,826	397	1,013	6,236
Information Technology	14,505	1,192	3,044	18,741
Printing and Production	4,679	-	625	5,304
Telephone and Communication	6,864	143	143	7,150
Office Supplies	557	55	139	751
Training and Staff Development	2,966	242	633	3,841
Miscellaneous	4,879	415	872	6,166
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Expenses by Function	<u>\$ 885,380</u>	<u>\$ 75,391</u>	<u>\$ 147,922</u>	<u>\$ 1,108,693</u>

See accompanying Notes to Financial Statements.

**YOUTH VOLUNTEER CORPS
STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (455,871)	\$ 1,211,893
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided (Used) by Operating Activities:		
Realized and Unrealized Gains (Losses) on Investments, Net	(23,308)	(122,657)
Donated Office Space	6	(5,330)
Depreciation	13,943	23,121
Effects of Changes in Operating Assets and Liabilities:		
Grants Receivable	507,560	(984,356)
Pledges Receivable	(1,220)	1,447
Interest Receivable	3	243
Prepaid Expenses	471	5,380
Accounts Payable	51,787	(6,171)
Accrued Liabilities	165	7,976
Deferred Revenue	(125,500)	125,500
Grants Payable	(50,002)	49,077
Net Cash Provided (Used) by Operating Activities	<u>(81,966)</u>	<u>306,123</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investment Securities	(272,178)	(202,332)
Proceeds from Sale of Investment Securities	32,035	97,429
Net Cash Used by Investing Activities	<u>(240,143)</u>	<u>(104,903)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(322,109)	201,220
Cash and Cash Equivalents - Beginning of Year	<u>837,424</u>	<u>636,204</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 515,315</u></u>	<u><u>\$ 837,424</u></u>

See accompanying Notes to Financial Statements.

**YOUTH VOLUNTEER CORPS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022 AND 2021**

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, 2022 AND 2021**

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, 2022 and 2021.

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, 2022 AND 2021**

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, 2022 and 2021, 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, 2022 or 2021, 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, 2022 and 2021.

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 \$3,000 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, 2022 AND 2021**

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, 2022 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.

**YOUTH VOLUNTEER CORPS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 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.

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 2022 and 2021.

**YOUTH VOLUNTEER CORPS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022 AND 2021**

NOTE 2 LIQUIDITY AND AVAILABILITY (CONTINUED)

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:

	2022	2021
Cash and Cash Equivalents	\$ 515,315	\$ 837,424
Investments	721,221	457,770
Grants Receivable	510,054	507,333
Pledges Receivable	1,615	395
Interest Receivable	-	3
Total Financial Assets	<u>1,748,205</u>	<u>1,802,925</u>
Contractual or Donor-Imposed Restrictions:		
Cash Restricted to Specific Uses	(61,880)	(95,183)
Grants Restricted to Specific Uses	(510,054)	(507,333)
Pledges Restricted to Specific Uses	<u>(1,615)</u>	<u>(395)</u>
Total Restrictions Imposed	<u>(573,549)</u>	<u>(602,911)</u>
Board Designations:		
Beneficial Interests in Community Foundations	(460,444)	(203,195)
Sloan Scholarship	<u>-</u>	<u>(1,750)</u>
Total Board Designations	<u>(460,444)</u>	<u>(204,945)</u>
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	<u>\$ 714,212</u>	<u>\$ 995,069</u>

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

NOTE 3 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. At March 31, 2022, there was a total of \$114,941 in excess of FDIC limits.

**YOUTH VOLUNTEER CORPS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022 AND 2021**

NOTE 4 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:

	2022		
	Level 1	Level 2	Level 3
Mutual Funds	\$ 260,777	\$ -	\$ -
Beneficial Interest in Community Foundations	-	-	460,444
Total	<u>\$ 260,777</u>	<u>\$ -</u>	<u>\$ 460,444</u>

**YOUTH VOLUNTEER CORPS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022 AND 2021**

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

	2021		
	Level 1	Level 2	Level 3
Mutual Funds	\$ 254,575	\$ -	\$ -
Beneficial Interest in Community Foundations	-	-	203,195
Total	<u>\$ 254,575</u>	<u>\$ -</u>	<u>\$ 203,195</u>

The beneficial interest in community foundations had no unfounded commitments, no restrictions on redemption frequency, and no redemption notice period at March 31, 2022.

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, 2022 and 2021:

	2022	2021
Balance - March 31	\$ 203,195	4,521
Contributions	262,593	197,532
Change in Fair Market Value	(5,344)	1,142
Balance - March 31, 2021	<u>\$ 460,444</u>	<u>203,195</u>

The following is a summary of market value technique for 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:

Instrument	Fair Value		Principal Valuation Technique	Unobservable Inputs Value of Underlying Asset
	2022	2021		
Beneficial Interest in Community Foundations	\$ 460,444	\$ 203,195	Net Asset Valuation	

NOTE 5 OTHER ASSETS

Other assets consist of the following at March 31:

	2022	2021
Trademarks:		
Word Mark	\$ 4,163	\$ 4,163
Design Mark	2,045	2,045
Office Rent Deposit	2,083	2,083
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, 2022 or 2021. Additionally, no impairment has been recorded as of March 31, 2022 or 2021.

**YOUTH VOLUNTEER CORPS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022 AND 2021**

NOTE 6 LEASE COMMITMENTS

The Organization leased office space during the years ended March 31, 2022 and 2021, under a cancelable operating lease. The first lease expired in prior years and a second cancelable lease agreement was entered into for additional office space beginning October 2018. Total lease expense was \$110,699 in 2022 and \$97,214 in 2021, of which \$52,000 and \$43,918, 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>Year Ending March 31,</u>	<u>Amount</u>
2024	<u>43,237</u>
Total	<u>\$ 43,237</u>

NOTE 7 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 \$116,722 and \$107,152 during the years ended March 31, 2022 and 2021, respectively.

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NOTE 8 PROGRAM REVENUES

Program revenues are earned primarily through affiliate fees, summer program 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, 2022 and 2021, there were no receivables or unearned revenue related to program revenues.

NOTE 9 CONTRIBUTED GOODS AND SERVICES

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

	2022	2021
Contributions:		
Office Space - Current Year	\$ 52,000	\$ 43,918
Office Space - Future Years	23,078	23,084
Advertising Services	10,545	-
Federal Grants:		
AmeriCorps VISTA	8,763	37,723
Total In-Kind Contributions	<u>\$ 94,386</u>	<u>\$ 104,725</u>

NOTE 10 NET ASSETS WITH DONOR RESTRICTIONS

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

	2022	2021
Subject to Purpose Restriction:		
Don and Jean Sloan Scholarship Fund	\$ 2,500	\$ 1,000
Adele Hall Joy of Serving Fund	29,180	26,788
Program Expenses	40,254	40,763
Leadership Academy and HQ Hosted Sites	-	31,315
Summit Sponsorships	-	2,400
Construction Related Service Projects	500,000	1,000,250
Total Subject to Purpose Restriction	<u>571,934</u>	<u>1,102,516</u>
Subject to Time Restriction:		
Pledges Receivable	1,615	395
In-Kind Pledges Receivable, Net	23,078	23,084
Total Subject to Time Restriction	<u>24,693</u>	<u>23,479</u>
Total With Donor Restrictions	<u>\$ 596,627</u>	<u>\$ 1,125,995</u>

**YOUTH VOLUNTEER CORPS
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MARCH 31, 2022 AND 2021**

NOTE 11 RELATED PARTY TRANSACTIONS

For the year ended March 31, 2022, approximately 5% of total contributions revenue originated from board members, key management, staff, and their immediate family members. For the year ended March 31, 2021, approximately 1% of total contributions revenue originated from board members, key management, staff, and their immediate family members.

NOTE 12 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.

**YOUTH VOLUNTEER CORPS
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NOTE 12 BOARD-DESIGNATED ENDOWMENT (CONTINUED)

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, 2022 and 2021:

		2022		
		Without Donor Restriction	With Donor Restriction	Total
Board-Designated Endowment Funds		\$ 460,444	\$ -	\$ 460,444
Total Funds		\$ 460,444	\$ -	\$ 460,444

		2021		
		Without Donor Restriction	With Donor Restriction	Total
Board-Designated Endowment Funds		\$ 203,195	\$ -	\$ 203,195
Total Funds		\$ 203,195	\$ -	\$ 203,195

Changes in endowment net assets for the fiscal years ended March 31, 2022 and 2021:

		2022		
		Without Donor Restriction	With Donor Restriction	Total
Net Assets - Beginning of Year		\$ 203,195	\$ -	\$ 203,195
Contributions		262,593	-	262,593
Investment Gain		(5,344)	-	(5,344)
Total Funds		\$ 460,444	\$ -	\$ 460,444

		2021		
		Without Donor Restriction	With Donor Restriction	Total
Net Assets - Beginning of Year		\$ 4,521	\$ -	\$ 4,521
Contributions		197,532	-	197,532
Investment Gain		1,142	-	1,142
Total Funds		\$ 203,195	\$ -	\$ 203,195

**YOUTH VOLUNTEER CORPS
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NOTE 13 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 14 CONCENTRATION OF REVENUE RISK

For the year ended March 31, 2022, one donor contributed approximately 26% of total contribution revenue. For the year ended March 31, 2021, one donor contributed approximately 70% of total contribution revenue.

NOTE 15 PAYCHECK PROTECTION PROGRAM

On April 22, 2020, the Organization received proceeds in the amount of \$118,600 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the PPP Loan). The Organization recognized \$118,600 of refundable grant revenue related to this agreement during the year ended March 31, 2021, which represents the portion of the PPP Loan funds for which the performance barriers have been met. The PPP loan was forgiven on May 16, 2021.

In addition, on February 11, 2021, the Organization received a second round of the federal Paycheck Protection Program (the PPP Loan) totaling \$125,500 to fund payroll, rent, utilities, and interest on mortgages and existing debt. The Organization recognized \$125,500 of refundable grant revenue related to this agreement during the year ended March 31, 2022, which represents the portion of the PPP Loan funds for which the performance barriers have been met. The PPP Loan was forgiven in full on November 17, 2021.

The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Organization's financial position.

NOTE 16 EMPLOYEE RETENTION CREDIT

Grants from the government are recognized when all conditions of such grants are fulfilled or there is reasonable assurance that they will be fulfilled. On February 28, 2022, the Organization received Employee Retention Credit funding from the United States Treasury in the amount of \$30,669 in compliance with the program.

**YOUTH VOLUNTEER CORPS
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NOTE 16 EMPLOYEE RETENTION CREDIT (CONTINUED)

Grants related to this program are classified as grant revenue. The Organization recognized \$30,669 of Grants related to performance requirements being met and costs being incurred in compliance with the program during the year ended March 31, 2022.

Eligibility and usage of funds in compliance with the program based on dollar thresholds and other factors are subject to review. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Organization's financial position.

NOTE 17 CHANGE IN DONOR RESTRICTIONS

For the year ended March 31, 2021, one donor released \$427,378 from their 2021 contribution allowing the Organization to utilize these monies however they felt most appropriate to combat the challenges caused from COVID-19.

NOTE 18 SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 24, 2022, the date which the financial statements were available for issue.



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