

**YOUTH VOLUNTEER CORPS  
FINANCIAL STATEMENTS  
YEARS ENDED MARCH 31, 2023 AND 2022**



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**YOUTH VOLUNTEER CORPS  
TABLE OF CONTENTS  
YEARS ENDED MARCH 31, 2023 AND 2022**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
<b>STATEMENTS OF FINANCIAL POSITION</b>	<b>3</b>
<b>STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS</b>	<b>5</b>
<b>STATEMENTS OF FUNCTIONAL EXPENSES</b>	<b>6</b>
<b>STATEMENTS OF CASH FLOWS</b>	<b>8</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>9</b>



## 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, 2023 and 2022, 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, 2023 and 2022, 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**

Kansas City, Missouri  
August 16, 2023

**YOUTH VOLUNTEER CORPS  
STATEMENTS OF FINANCIAL POSITION  
MARCH 31, 2023 AND 2022**

<b>ASSETS</b>	2023	2022
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 521,375	\$ 515,315
Investments, at Fair Value	658,387	721,221
Accounts Receivable		
Grants	-	510,054
Pledges	1,062	1,615
In-Kind Pledges, Net	23,675	23,078
Prepaid Expenses	620	534
Total Current Assets	1,205,119	1,771,817
<b>PROPERTY AND EQUIPMENT</b>		
Leasehold Improvements	4,450	4,450
Fixtures and Equipment	46,398	46,398
Vehicles	16,349	16,349
Software and Websites	94,014	83,389
Total Property and Equipment	161,211	150,586
Less: Accumulated Depreciation	145,878	131,630
Net Property and Equipment	15,333	18,956
<b>OTHER ASSETS</b>		
Right of Use Asset	266,973	-
Trademarks	6,208	6,208
Security Deposit	2,083	2,083
Total Other Assets	275,264	8,291
 Total Assets	 \$ 1,495,716	 \$ 1,799,064

See accompanying Notes to Financial Statements.

**YOUTH VOLUNTEER CORPS**  
**STATEMENTS OF FINANCIAL POSITION (CONTINUED)**  
**MARCH 31, 2023 AND 2022**

<b>LIABILITIES AND NET ASSETS</b>	2023	2022
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 27,525	\$ 72,176
Accrued Liabilities	27,873	29,897
Grants Payable	-	18,615
Lease Liability - Current Portion	53,780	-
Total Current Liabilities	109,178	120,688
<b>LONG-TERM LIABILITIES</b>		
Lease Liability - Net of Current Portion	233,834	-
Total Liabilities	343,012	120,688
<b>NET ASSETS</b>		
Without Donor Restrictions		
Undesignated	354,818	621,305
Board-Designated	417,874	460,444
Total Without Donor Restrictions:	772,692	1,081,749
With Donor Restrictions		
Total Net Assets	380,012	596,627
	1,152,704	1,678,376
Total Liabilities and Net Assets	\$ 1,495,716	\$ 1,799,064

See accompanying Notes to Financial Statements.

**YOUTH VOLUNTEER CORPS**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEARS ENDED MARCH 31, 2023 AND 2022**

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE</b>						
Contributions						
Individuals	\$ 242,932	\$ 45,361	\$ 288,293	\$ 172,799	\$ 36,126	\$ 208,925
Corporations	37,370	10,422	47,792	13,011	15,243	28,254
Foundations	26,405	201,650	228,055	2,500	85,500	88,000
Total Contributions	306,707	257,433	564,140	188,310	136,869	325,179
Grants	-	75,743	75,743	-	30,669	30,669
Refundable Grants	-	-	-	-	125,500	125,500
Affiliate Sites	61,216	-	61,216	43,121	-	43,121
Investment Income (Loss)	(47,719)	-	(47,719)	33,044	-	33,044
In-Kind Revenue	49,947	75,963	125,910	10,545	83,841	94,386
Other Revenue	-	-	-	104	-	104
Net Assets Released From Restriction						
Satisfaction of Purpose Restrictions	623,080	(623,080)	-	905,467	(905,467)	-
Satisfaction of Time Restrictions	2,674	(2,674)	-	780	(780)	-
Total Revenue	995,905	(216,615)	779,290	1,181,371	(529,368)	652,003
<b>EXPENSES</b>						
Program Services	1,028,825	-	1,028,825	907,434	-	907,434
Management and General	105,892	-	105,892	115,332	-	115,332
Fundraising	154,564	-	154,564	85,108	-	85,108
Total Expenses	1,289,281	-	1,289,281	1,107,874	-	1,107,874
<b>CHANGE IN NET ASSETS</b>	(293,376)	(216,615)	(509,991)	73,497	(529,368)	(455,871)
Net Assets - Beginning Of Year	1,081,749	596,627	1,678,376	1,008,252	1,125,995	2,134,247
Restatement From New Accounting Standard	(15,681)	-	(15,681)	-	-	-
Net Assets - Beginning Of Year, as Restated	1,066,068	596,627	1,662,695	1,008,252	1,125,995	2,134,247
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 772,692</u>	<u>\$ 380,012</u>	<u>\$ 1,152,704</u>	<u>\$ 1,081,749</u>	<u>\$ 596,627</u>	<u>\$ 1,678,376</u>

See accompanying Notes to Financial Statements.

**YOUTH VOLUNTEER CORPS  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED MARCH 31, 2023**

	Program Services	Support Activities		Total Expenses
	Affiliate Development	Management and General	Fundraising	
Salaries and Benefits	\$ 614,940	\$ 68,583	\$ 126,892	\$ 810,415
Affiliate Support and Programming	269,834	48	77	269,959
Rent	84,793	11,094	17,936	113,823
Travel	10,818	-	-	10,818
Professional and Consulting	-	22,289	4,213	26,502
Depreciation	12,695	545	1,008	14,248
Insurance	6,743	376	608	7,727
Information Technology	10,544	1,194	2,209	13,947
Telephone and Communication	5,212	109	109	5,430
Office Supplies	1,262	139	225	1,626
Training and Staff Development	5,364	558	902	6,824
Miscellaneous	6,620	957	385	7,962
	<u>\$ 1,028,825</u>	<u>\$ 105,892</u>	<u>\$ 154,564</u>	<u>\$ 1,289,281</u>
Total Expenses by Function	<u>\$ 1,028,825</u>	<u>\$ 105,892</u>	<u>\$ 154,564</u>	<u>\$ 1,289,281</u>

See accompanying Notes to Financial Statements.



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

	Program Services	Support Activities		Total Expenses
	Affiliate Development	Management and General	Fundraising	
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
	\$ 907,434	\$ 115,332	\$ 85,108	\$ 1,107,874
Total Expenses by Function				

See accompanying Notes to Financial Statements.

**YOUTH VOLUNTEER CORPS  
STATEMENTS OF CASH FLOWS  
YEARS ENDED MARCH 31, 2023 AND 2022**

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (509,991)	\$ (455,871)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Realized and Unrealized Gains (Losses) on Investments, Net	60,729	(23,308)
Donated Office Space	(597)	6
Depreciation	14,248	13,943
Effects of Changes in Operating Assets and Liabilities:		
Grants Receivable	510,054	507,560
Pledges Receivable	553	(1,220)
Right of Use Assets	52,173	-
Interest Receivable	-	3
Prepaid Expenses	(86)	471
Accounts Payable	(44,651)	51,787
Accrued Liabilities	(2,024)	165
Debt Forgiveness	-	(125,500)
Deferred Revenue	(47,213)	-
Grants Payable	(18,615)	(50,002)
Net Cash Provided (Used) by Operating Activities	14,580	(81,966)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Property and Equipment	(10,625)	-
Purchases of Investment Securities	(12,955)	(272,178)
Proceeds from Sale of Investment Securities	15,060	32,035
Net Cash Used by Investing Activities	(8,520)	(240,143)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	6,060	(322,109)
Cash and Cash Equivalents - Beginning of Year	515,315	837,424
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 521,375	\$ 515,315

See accompanying Notes to Financial Statements.

**YOUTH VOLUNTEER CORPS  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2023 AND 2022**

**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, Canada and Uganda 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. The majority of affiliates are sponsored by community or government organizations such as a local YMCA or United Way, and the Organization does not own or control any of these community or government organizations nor are they fiscally dependent upon the Organization or vice versa. A few affiliates are sponsored and controlled directly by the Organization.

**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, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Assets (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, 2023 and 2022.

**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, 2023 AND 2022**

**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, 2023 and 2022, 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, 2023 or 2022, 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, 2023 and 2022.

**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.

**Leases**

The Organization determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets and lease liability. The Organization has no financing leases.

**YOUTH VOLUNTEER CORPS  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Leases (Continued)**

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the statements of financial position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Organization has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

**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, 2023 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.

**YOUTH VOLUNTEER CORPS  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**Adoption of New Accounting Standards**

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. This new standard increases transparency and comparability among organizations by requiring the recognition of ROU assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the requirements of the guidance effective April 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption.

The Organization has elected to adopt the package of practical expedients available in the year of adoption. The Organization has elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of the Organization's ROU assets.

**YOUTH VOLUNTEER CORPS  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

In September 2020, FASB issued ASU 2020-07 *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This update increases the transparency of contributed nonfinancial assets for not-for-profit entities through enhancement to presentation and disclosure, including presentation of contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. This ASU was implemented for the year ended March 31, 2023 and has been applied on a retrospective basis through additional disclosures and reclassifications of amounts presented for the 2022 financial statements.

**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 2023 and 2022.

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:

	2023	2022
Cash and Cash Equivalents	\$ 521,375	\$ 515,315
Investments	658,387	721,221
Grants Receivable	-	510,054
Pledges Receivable	1,062	1,615
Total Financial Assets	1,180,824	1,748,205
Contractual or Donor-Imposed Restrictions		
Cash Restricted to Specific Uses	(355,275)	(61,880)
Grants Restricted to Specific Uses	-	(510,054)
Pledges Restricted to Specific Uses	(1,062)	(1,615)
Total Restrictions Imposed	(356,337)	(573,549)
Board Designations		
Beneficial Interests in Community Foundations	(417,874)	(460,444)
Total Board Designations	(417,874)	(460,444)
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	\$ 406,613	\$ 714,212



**YOUTH VOLUNTEER CORPS**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2023 AND 2022**

**NOTE 2 LIQUIDITY AND AVAILABILITY (CONTINUED)**

Amounts in the board-designated category 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, 2023, there was a total of \$114,941 in excess of Federal Deposit Insurance Corporation (FDIC) limits.

**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).

**YOUTH VOLUNTEER CORPS  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2023 AND 2022**

**NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)**

*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:

	2023		
	Level 1	Level 2	Level 3
Mutual Funds	\$ 240,513	\$ -	\$ -
Beneficial Interest in Community Foundations	-	-	417,874
Total	\$ 240,513	\$ -	\$ 417,874
	2022		
	Level 1	Level 2	Level 3
Mutual Funds	\$ 260,777	\$ -	\$ -
Beneficial Interest in Community Foundations	-	-	460,444
Total	\$ 260,777	\$ -	\$ 460,444

The beneficial interest in community foundations had no unfounded commitments, no restrictions on redemption frequency, and no redemption notice period at March 31, 2023.

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, 2023 and 2022:

	2023	2022
Balance - March 31	\$ 460,444	203,195
Contributions	-	262,593
Distributions	(15,060)	-
Change in Fair Market Value	(27,510)	(5,344)
Balance - March 31, 2021	\$ 417,874	460,444

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
	2023	2022		
Beneficial Interest in Community Foundations	\$ 417,874	\$ 460,444	Net Asset Valuation	

**YOUTH VOLUNTEER CORPS  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2023 AND 2022**

**NOTE 5 OTHER ASSETS**

Other assets consist of the following at March 31:

	<u>2023</u>	<u>2022</u>
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, 2023 or 2022. Additionally, no impairment has been recorded as of March 31, 2023 or 2022.

**NOTE 6 LEASES**

The Organization leases office space for various terms under long-term lease agreements. The leases expire at December 31, 2027. In the normal course of business, it is expected that these leases will be renewed or replaced by similar leases.

The following table provides quantitative information concerning the Organization's leases.

Lease Cost	
Finance Lease Cost	
Amortization of Right-of-Use Assets	\$ -
Interest on Lease Liabilities	-
Operating Lease Cost	59,875
Short-Term Lease Cost	-
Variable Lease Cost	-
Sublease Income	-
Total Lease Cost	<u>\$ 59,875</u>

**YOUTH VOLUNTEER CORPS  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2023 AND 2022**

**NOTE 6 LEASES (CONTINUED)**

Other Information		
(Gains) Losses on Sale Leaseback Transactions, Net	\$	-
Cash Paid for Amounts Included in the Measurement of Lease Liabilities	\$	-
Operating Cash Flows from Financing Leases	\$	-
Operating Cash Flows from Operating Leases	\$	58,154
Financing Cash Flows from Financing Leases	\$	-
Right-of-Use Assets Obtained in Exchange for New Financing Lease Liabilities	\$	-
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$	-
Weighted-Average Remaining Lease Term - Financing Leases		N/A
Weighted-Average Remaining Lease Term - Operating Leases		4.8 Years
Weighted-Average Discount Rate - Financing Leases		N/A
Weighted-Average Discount Rate - Operating Leases		2.48%

A maturity analysis of annual undiscounted cash flows for lease liabilities as of March 31, 2023, is as follows:

<u>Year Ending March 31,</u>	<u>Financing Leases</u>	<u>Operating Leases</u>
2024	\$ -	\$ 60,190
2025	-	62,296
2026	-	64,477
2027	-	66,733
2028	-	51,352
Total	<u>\$ -</u>	<u>\$ 305,048</u>

Future lease payments under the operating lease agreements for office space as of March 31, 2022 are as follows:

<u>Year Ending March 31,</u>	<u>Amount</u>
2023	<u>\$ 43,237</u>

**NOTE 7 BENEFICIAL INTERESTS 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."

**YOUTH VOLUNTEER CORPS  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2023 AND 2022**

**NOTE 7 BENEFICIAL INTERESTS IN COMMUNITY FOUNDATION (CONTINUED)**

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, 2023 and 2022, respectively.

On September 29, 2022, a donor established the Battey Family Fund for YVC (the Fund) at the GKCCF. The establishing document called for GKCCF to distribute 5% of the prior year-end fund balance from the Fund to the Organization to be used for unrestricted general operating support.

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 will receive annual distributions from the Fund beginning April 15, 2023.

**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 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, 2023 and 2022, there were no receivables or unearned revenue related to program revenues.

**YOUTH VOLUNTEER CORPS  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2023 AND 2022**

**NOTE 9 CONTRIBUTED GOODS AND SERVICES**

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

	<u>2023</u>	<u>2022</u>
Contributions		
Office Space - Current Year	\$ 52,288	\$ 52,000
Office Space - Future Years	23,675	23,078
Advertising Services	49,947	10,545
Federal Grants		
AmeriCorps VISTA	-	8,763
Total In-Kind Contributions	<u>\$ 125,910</u>	<u>\$ 94,386</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:

	<u>2023</u>	<u>2022</u>
Subject to Purpose Restriction		
Don and Jean Sloan Scholarship Fund	\$ 3,100	\$ 2,500
Adele Hall Joy of Serving Fund	28,628	29,180
Program Expenses	152,803	40,254
Construction Related Service Projects	170,865	500,000
Total Subject to Purpose Restriction	<u>355,396</u>	<u>571,934</u>
Subject to Time Restriction		
Pledges Receivable	941	1,615
In-Kind Pledges Receivable, Net	23,675	23,078
Total Subject to Time Restriction	<u>24,616</u>	<u>24,693</u>
 Total With Donor Restrictions	 <u>\$ 380,012</u>	 <u>\$ 596,627</u>

**NOTE 11 RELATED PARTY TRANSACTIONS**

For the year ended March 31, 2023, approximately 5% of total contributions revenue originated from board members, key management, staff, and their immediate family members. 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.

**YOUTH VOLUNTEER CORPS  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2023 AND 2022**

**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.

**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.

**YOUTH VOLUNTEER CORPS  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2023 AND 2022**

**NOTE 12 BOARD-DESIGNATED ENDOWMENT (CONTINUED)**

Endowment net assets composition by type of fund as of March 31, 2023 and 2022:

	2023		
	Without Donor Restriction	With Donor Restriction	Total
Board-Designated Endowment Funds	\$ 417,874	\$ -	\$ 417,874
Total Funds	<u>\$ 417,874</u>	<u>\$ -</u>	<u>\$ 417,874</u>

  

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

Changes in endowment net assets for the fiscal years ended March 31, 2023 and 2022:

	2023		
	Without Donor Restriction	With Donor Restriction	Total
Net Assets - Beginning of Year	\$ 460,444	\$ -	\$ 460,444
Contributions	-	-	-
Distributions	(15,060)	-	(15,060)
Investment Loss	(27,510)	-	(27,510)
Total Funds	<u>\$ 417,874</u>	<u>\$ -</u>	<u>\$ 417,874</u>

  

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

**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.



**YOUTH VOLUNTEER CORPS  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2023 AND 2022**

**NOTE 14 CONCENTRATION OF REVENUE RISK**

For the year ended March 31, 2023, two donors contributed approximately 30% of total contribution revenue. For the year ended March 31, 2022, one donor contributed approximately 26% of total contribution revenue.

**NOTE 15 PAYCHECK PROTECTION PROGRAM**

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 U.S. Small Business Administration 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. During 2023 and 2022, the Organization received Employee Retention Credit funding from the United States Treasury.

Grants related to this program are classified as grant revenue. The Organization recognized \$75,743 and \$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, 2023 and 2022, respectively.

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 RECLASSIFICATIONS**

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with the current year's financial statements. Comparative figures have been adjusted to conform to the current year's presentation.

**YOUTH VOLUNTEER CORPS  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2023 AND 2022**

**NOTE 18 SUBSEQUENT EVENTS**

Management has evaluated subsequent events through August 16, 2023, the date which the financial statements were available for issue.



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