

Young Voices

Financial Statements
and Independent Accountant's Review Report

May 31, 2020

Young Voices

Financial Statements
May 31, 2020

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Young Voices

We have reviewed the accompanying financial statements of Young Voices, a nonprofit organization, which comprise the statement of financial position as of May 31, 2020; the related statements of activities, functional expenses, and cash flows for the year then ended; and the related notes to the financial statements.

A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Handwritten signature in black ink that reads "Rogers + Company PLLC". The signature is written in a cursive, slightly stylized font.

Vienna, Virginia
June 25, 2020

Young Voices

Statement of Financial Position May 31, 2020

Assets	
Cash	\$ 135,920
Contributions receivable	<u>149,823</u>
Total assets	<u><u>\$ 285,743</u></u>
Liabilities and Net Assets	
Liabilities	
Payroll liabilities	<u>\$ 7,296</u>
Total liabilities	<u>7,296</u>
Net Assets	
Without donor restrictions	165,727
With donor restrictions	<u>112,720</u>
Total net assets	<u>278,447</u>
Total liabilities and net assets	<u><u>\$ 285,743</u></u>

Young Voices

Statement of Activities For the Year Ended May 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Contributions:			
Foundations	\$ 162,455	\$ 176,566	\$ 339,021
Corporations	91,400	-	91,400
Individuals	48,565	-	48,565
Interest	37	-	37
Released from restrictions	164,346	(164,346)	-
Total revenue and support	<u>466,803</u>	<u>12,220</u>	<u>479,023</u>
Expenses			
Program services	265,763	-	265,763
Management and general	56,431	-	56,431
Fundraising	79,246	-	79,246
Total expenses	<u>401,440</u>	<u>-</u>	<u>401,440</u>
Change in Net Assets	65,363	12,220	77,583
Net Assets, beginning of year	<u>100,364</u>	<u>100,500</u>	<u>200,864</u>
Net Assets, end of year	<u><u>\$ 165,727</u></u>	<u><u>\$ 112,720</u></u>	<u><u>\$ 278,447</u></u>

Young Voices

Statement of Functional Expenses For the Year Ended May 31, 2020

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$ 194,749	\$ 12,619	\$ 45,763	\$ 253,131
Employee benefits	1,203	232	464	1,899
Payroll taxes	17,580	1,434	3,755	22,769
Awards	29,403	-	-	29,403
Meetings	5,385	-	9,271	14,656
Office expenses	2,354	3,903	7	6,264
Other services	4,750	-	-	4,750
Travel	6,729	171	15,721	22,621
Website subscriptions	3,610	4,499	3,076	11,185
Finance	-	10,199	-	10,199
Insurance	-	2,259	-	2,259
Advertising	-	-	1,189	1,189
Legal	-	744	-	744
Rent	-	20,371	-	20,371
	Total Expenses	\$ 56,431	\$ 79,246	\$ 401,440
	\$ 265,763	\$ 56,431	\$ 79,246	\$ 401,440

Young Voices

Statement of Cash Flows For the Year Ended May 31, 2020

Cash Flows from Operating Activities	
Change in net assets	\$ 77,583
Change in operating assets and liabilities:	
Decrease in:	
Contributions receivable	1,477
Increase in:	
Payroll liabilities	<u>3,280</u>
Net cash provided by operating activities	<u>82,340</u>
Net Increase in Cash	82,340
Cash , beginning of year	<u>53,580</u>
Cash , end of year	<u><u>\$ 135,920</u></u>

Young Voices

Notes to Financial Statements
May 31, 2020

1. Nature of Operations

Young Voices is a nonprofit organization that was incorporated in 2016 under the laws of the District of Columbia. The primary mission of Young Voices is to cultivate the next generation of thought leaders for liberty in policy, journalism, and academia. Young Voices achieve this mission by providing writing training, editing, and media placement services to aspiring change makers under 30.

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

Young Voices' financial statements are prepared on the accrual basis of accounting. Net assets are reported based on the presence or absence of donor-imposed restrictions, as follows:

- *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- *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. 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.

Contributions Receivable

Contributions receivable represent unconditional amounts committed to Young Voices. Management determines the allowance for doubtful accounts based upon review of outstanding receivables, historical collection information, and existing economic conditions. When a restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Management believes that all contributions receivable are collectible at May 31, 2020, and accordingly, no allowance for uncollectible accounts has been established.

Young Voices

Notes to Financial Statements
May 31, 2020

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Young Voices reports contributions as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Revenue from all other sources is recognized when earned.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Advertising Costs

Advertising costs are expensed as incurred, and approximated \$1,189 during the year ended May 31, 2020.

Use of Estimates

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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Young Voices

Notes to Financial Statements
May 31, 2020

2. Summary of Significant Accounting Policies (continued)

Change in Accounting Principle

In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. Young Voices has implemented the provisions of ASU 2018-08 applicable to both contributions received and to contributions made in these financial statements under a modified prospective basis. The implementation had no impact on the previously reported net assets.

Subsequent Events

In preparing these financial statements, Young Voices has evaluated events and transactions for potential recognition or disclosure through June 25, 2020, the date the financial statements were available to be issued.

As a result of the spread of the COVID-19 pandemic, economic uncertainties have arisen which are likely to impact Young Voices. The extent of the impact of COVID-19 on Young Voices' operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, and its direct impact on Young Voices, all of which are uncertain and cannot be predicted at this time. Young Voices has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended May 31, 2020 have not been adjusted to reflect their impact.

3. Liquidity and Availability

Young Voices strives to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Management periodically reviews Young Voices' liquid asset needs and adjusts the cash balance as necessary.

Young Voices

Notes to Financial Statements
May 31, 2020

3. Liquidity and Availability (continued)

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at May 31, 2020:

Cash	\$	135,920
Contributions receivable		<u>149,823</u>
Total available for general expenditures	\$	<u><u>285,743</u></u>

4. Concentration of Credit Risk

Financial instruments that potentially subject Young Voices to significant concentrations of credit risk consist of cash. Various cash deposit and transaction accounts are maintained with financial institutions, which from time to time may exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC). Young Voices has not experienced any credit losses on its cash to date as it relates to FDIC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

5. Net Assets with Donor Restrictions

Net assets with donor restrictions were restricted for the following at May 31, 2020:

Purpose restricted:		
Fellowship Grant	\$	90,500
Support for School Choice Writers Grant		20,000
Podcast Accelerator Program Grant		<u>2,220</u>
Net assets with donor restrictions	\$	<u><u>112,720</u></u>

6. Operating Lease

On August 1, 2019, Young Voices entered into a new membership agreement to have access to shared office space in Washington, DC. The membership start day was August 1, 2019 with a term of 12 months and a rate of \$3,400 for the first month and \$1,700 for the subsequent 11 months. Rent expense was \$20,371 for the year ended May 31, 2020.

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Notes to Financial Statements
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7. Allocation of Expenses from Management and General Activities

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses that are allocated include payroll and benefits, payroll taxes, subscriptions, office expenses and travel, which are allocated on the basis of estimates of time and effort.

8. Income Taxes

Young Voices is recognized as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and is exempt from income taxes except for taxes on unrelated business activities. No income tax expense is recorded in the accompanying financial statements for the year ended May 31, 2020, as there were no unrelated business activities. Management evaluated Young Voices' tax positions and concluded that Young Voices' financial statements do not include any uncertain tax positions.