

**Young Voices**

Financial Statements  
and Independent Accountant's Report

May 31, 2022 and 2021

# Young Voices

Financial Statements  
May 31, 2022 and 2021

## Contents

Independent Accountant's Report.....	1-2
<i>Financial Statements</i>	
Statements of Financial Position.....	3
Statements of Activities .....	4-5
Statements of Functional Expenses .....	6-7
Statements of Cash Flows.....	8
Notes to Financial Statements.....	9-13

## INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Directors of  
Young Voices

We have reviewed the accompanying financial statements of Young Voices, which comprise the statements of financial position as of May 31, 2022 and 2021; the related statements of activities, functional expenses, and cash flows for the years then ended; and the related notes to the financial statements. Young Voices' 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error. Our responsibility is to express a conclusion on the financial statements based on our review.

Our review was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to the financial statements in order for them to be in accordance with the criteria. The procedures performed in a review vary in nature and timing from, and are substantially less in extent than, an examination, the objective of which is to obtain reasonable assurance about whether the financial statements are in accordance with the criteria, in all material respects, in order to express an opinion. Accordingly, we do not express an opinion. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent and to meet our ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

We applied the Statements on Standards for Attestation Engagements, *Review Engagements AT-C Section 210, Review Engagements*, 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.

The procedures we performed were based on our professional judgment. In performing our review, we performed inquiries to discuss the underlying disclosure data and reviewed supporting documentation in regard to the completeness and accuracy of the data in the specified metrics.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements as of and for the years ended May 31, 2022 and 2021, 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  
August 15, 2022

## Young Voices

### Statements of Financial Position May 31, 2022 and 2021

	2022	2021
<b>Assets</b>		
Cash	\$ 732,757	\$ 375,564
Contributions receivable	100,000	27,654
Total assets	<u>\$ 832,757</u>	<u>\$ 403,218</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Total liabilities	<u>\$ -</u>	<u>\$ -</u>
<b>Net Assets</b>		
Without donor restrictions	632,757	393,218
With donor restrictions	200,000	10,000
Total net assets	<u>832,757</u>	<u>403,218</u>
Total liabilities and net assets	<u>\$ 832,757</u>	<u>\$ 403,218</u>

## Young Voices

### Statement of Activities For the Year Ended May 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenue and Support</b>			
Contributions:			
Corporations	\$ 473,684	\$ 100,000	\$ 573,684
Foundations	468,186	100,000	568,186
Individuals	147,478	-	147,478
Interest	179	-	179
Released from restrictions	10,000	(10,000)	-
	<u>1,099,527</u>	<u>190,000</u>	<u>1,289,527</u>
<b>Expenses</b>			
Program services	654,757	-	654,757
Management and general	38,959	-	38,959
Fundraising	166,272	-	166,272
	<u>859,988</u>	<u>-</u>	<u>859,988</u>
<b>Change in Net Assets</b>	239,539	190,000	429,539
<b>Net Assets, beginning of year</b>	<u>393,218</u>	<u>10,000</u>	<u>403,218</u>
<b>Net Assets, end of year</b>	<u><u>\$ 632,757</u></u>	<u><u>\$ 200,000</u></u>	<u><u>\$ 832,757</u></u>

## Young Voices

### Statement of Activities For the Year Ended May 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Support</b>			
Contributions:			
Corporations	\$ 215,218	\$ 50,000	\$ 265,218
Foundations	218,080	66,538	284,618
Individuals	74,169	-	74,169
Interest	96	-	96
Released from restrictions	219,258	(219,258)	-
	726,821	(102,720)	624,101
<b>Expenses</b>			
Program services	406,199	-	406,199
Management and general	22,677	-	22,677
Fundraising	70,454	-	70,454
	499,330	-	499,330
<b>Change in Net Assets</b>	227,491	(102,720)	124,771
<b>Net Assets, beginning of year</b>	165,727	112,720	278,447
<b>Net Assets, end of year</b>	\$ 393,218	\$ 10,000	\$ 403,218

## Young Voices

### Statement of Functional Expenses For the Year Ended May 31, 2022

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$ 252,423	\$ 16,551	\$ 95,547	\$ 364,521
Employee benefits	16,839	891	3,528	21,258
Payroll taxes	23,416	1,626	9,108	34,150
Awards	34,827	-	-	34,827
Meetings	38,493	-	9,961	48,454
Office expenses	4,876	1,775	232	6,883
Other services	77,384	600	615	78,599
Travel	61,886	-	25,137	87,023
Website subscriptions	45,197	4,092	5,578	54,867
Finance	-	11,742	-	11,742
Insurance	1,980	1,490	292	3,762
Advertising	85,431	-	1,769	87,200
Fundraising	-	-	2,500	2,500
Rent	12,005	-	12,005	24,010
Legal	-	192	-	192
<b>Total Expenses</b>	<b>\$ 654,757</b>	<b>\$ 38,959</b>	<b>\$ 166,272</b>	<b>\$ 859,988</b>



## Young Voices

### Statement of Functional Expenses For the Year Ended May 31, 2021

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$ 248,402	\$ 9,625	\$ 43,625	\$ 301,652
Employee benefits	8,614	250	1,924	10,788
Payroll taxes	20,434	1,214	4,137	25,785
Awards	25,766	-	-	25,766
Meetings	19,236	-	1,556	20,792
Office expenses	13,665	-	467	14,132
Other services	24,169	-	-	24,169
Travel	13,458	-	3,529	16,987
Website subscriptions	21,086	757	5,543	27,386
Finance	-	10,831	-	10,831
Insurance	2,045	-	94	2,139
Advertising	1,632	-	1,137	2,769
Fundraising	-	-	750	750
Rent	7,692	-	7,692	15,384
<b>Total Expenses</b>	<b>\$ 406,199</b>	<b>\$ 22,677</b>	<b>\$ 70,454</b>	<b>\$ 499,330</b>

## Young Voices

### Statements of Cash Flows For the Years Ended May 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 429,539	\$ 124,771
Change in operating assets and liabilities:		
(Increase) decrease in:		
Contributions receivable	(72,346)	122,169
Decrease in:		
Payroll liabilities	<u>-</u>	<u>(7,296)</u>
Net cash provided by operating activities	<u>357,193</u>	<u>239,644</u>
<b>Net Increase in Cash</b>	357,193	239,644
<b>Cash, beginning of year</b>	<u>375,564</u>	<u>135,920</u>
<b>Cash, end of year</b>	<u><u>\$ 732,757</u></u>	<u><u>\$ 375,564</u></u>

# Young Voices

## Notes to Financial Statements May 31, 2022 and 2021

### 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 achieves this mission by providing writing training, editing, and media placement services to aspiring change makers under 35.

### 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 statements of activities as net assets released from restrictions. Management believes that all contributions receivable are collectible at May 31, 2022 and 2021, and accordingly, no allowance for uncollectible accounts has been established.

## Young Voices

Notes to Financial Statements  
May 31, 2022 and 2021

### 2. Summary of Significant Accounting Policies (continued)

#### Revenue Recognition

Contributions that are nonreciprocal are recognized as revenue when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Young Voices reports gifts of cash and other assets as restricted support if they are received or promised with donor stipulations that limit the use of the donated funds to one of Young Voices' programs or to a future year. 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 statements of activities as net assets released from restrictions.

#### Functional Allocation of Expenses

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

#### 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.

#### Subsequent Events

In preparing these financial statements, Young Voices has evaluated events and transactions for potential recognition or disclosure through August 15, 2022, the date the financial statements were available to be issued.

### 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, 2022 and 2021

#### 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 statements of financial position date, comprise the following at May 31:

	2022	2021
Cash	\$ 732,757	\$ 375,564
Contributions receivable	100,000	27,654
Total available for general expenditures	<u>\$ 832,757</u>	<u>\$ 403,218</u>

#### 4. Concentrations of Risk

##### 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.

##### Revenue Risk

For the years ended May 31, 2022 and 2021, a substantial portion of Young Voices' revenue was generated from a small number of donors. For the year ended May 31, 2022, \$190,000 was received from one donor, and for the year ended May 31, 2021, \$200,000 was received from two donors. These contributions approximate 15% and 32% of Young Voices' total revenue and support for the years ended May 31, 2022 and 2021, respectively.

## Young Voices

### Notes to Financial Statements May 31, 2022 and 2021

#### 5. Net Assets With Donor Restrictions

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

	<u>2022</u>	<u>2021</u>
Purpose restricted:		
Regional Leaders Program	\$ 65,000	\$ -
Dissident Project	35,000	-
Support for Texas Outreach	-	5,000
Support for Florida Outreach	-	5,000
	<u>100,000</u>	<u>10,000</u>
Total purpose restricted net assets	<u>100,000</u>	<u>10,000</u>
Time restricted	<u>100,000</u>	<u>-</u>
Net assets with donor restrictions	<u>\$ 200,000</u>	<u>\$ 10,000</u>

#### 6. Operating Lease

On August 1, 2019, Young Voices entered into a membership agreement to have access to shared office space in Washington, DC, starting 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 eleven months.

On November 1, 2020, Young Voices entered into a membership agreement for a new shared office space in Washington, DC, starting November 1, 2020, with an initial term of 12 months and a rate of \$2,880 for the first month, \$1,872 for the second through fifth month, and \$720 for the remaining seven months. On August 27, 2021, this agreement was amended and extended to October 31, 2022, with a monthly rate of \$1,872 for the 12 months starting November 1, 2021. Subsequent to year end, in July 2022, Young Voices entered into a membership agreement for a new shared office space in Washington, DC, with a monthly rate of \$2,362 for the 12 months starting September 1, 2022.

Rent expense was \$24,010 and \$15,384 for the years ended May 31, 2022 and 2021, respectively.

## **Young Voices**

### Notes to Financial Statements May 31, 2022 and 2021

#### **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 salaries, employee benefits, payroll taxes, website subscriptions, office expenses, and travel, which are allocated on the basis of estimates of time and effort.

#### **8. Retirement Plan**

Effective January 2021, Young Voices maintains a 401(k) Multiple Employer Retirement plan, which is available to employees upon completing one year of eligible service. Young Voices matches 100% of employee contributions up to the first 3% of the participant's compensation. Non-elective profit-sharing contribution may be permitted at the discretion of the Board of Directors and in accordance with the plan. Contributions made to the plan for the years ended May 31, 2022 and 2021 totaled \$7,525 and \$1,275, respectively.

#### **9. 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 years ended May 31, 2022 and 2021, 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.