

YOUTH LIFE FOUNDATION OF RICHMOND

Audited Financial Statements

Years ended December 31, 2008 and 2007
with Report of Independent Auditors

Youth Life Foundation of Richmond

Audited Financial Statements

Years ended December 31, 2008 and 2007

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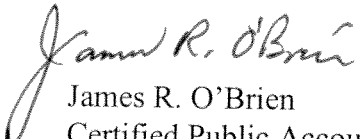
Report of Independent Auditors

The Board of Directors
Youth Life Foundation of Richmond

We have audited the accompanying statements of financial position of Youth Life Foundation of Richmond as of December 31, 2008 and 2007, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Youth Life Foundation of Richmond at December 31, 2008 and 2007, and its activities and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States.


James R. O'Brien
Certified Public Accountant

June 9, 2009

Youth Life Foundation of Richmond

Statements of Financial Position

	December 31	
	2008	2007
Assets		
Current assets:		
Cash	\$ 111,016	\$ 116,478
Grants Receivable	40,000	-
Total current assets	<u>151,016</u>	<u>116,478</u>
Property and equipment:		
Vehicles	37,065	37,065
Computer equipment	24,882	14,296
Equipment	24,346	12,005
	<u>86,293</u>	<u>63,366</u>
Accumulated depreciation and amortization	(53,330)	(42,849)
Total property and equipment (net)	<u>32,963</u>	<u>20,517</u>
Other Assets		
Grants Receivable	<u>20,000</u>	<u>-</u>
Total assets	<u><u>\$ 203,979</u></u>	<u><u>\$ 136,995</u></u>
Liabilities and net assets		
Current liabilities:		
Accounts payable	\$ 3,511	\$ 767
Accrued payroll	6,030	-
Total current liabilities	<u>9,541</u>	<u>767</u>
Unrestricted net assets	91,660	80,577
Temporarily restricted net assets	102,778	55,651
Total net assets	<u>194,438</u>	<u>136,228</u>
Total liabilities and net assets	<u><u>\$ 203,979</u></u>	<u><u>\$ 136,995</u></u>

See accountant's notes to financial statements.

Youth Life Foundation of Richmond

Statements of Activities

Year ended December 31, 2008

	Unrestricted	Temporarily Restricted	Total
Revenues and other support			
Contributions:			
Individuals	\$ 67,929	\$ —	\$ 67,929
Churches and civic	23,345	—	23,345
Corporate	10,379	14,217	24,596
Total contributions	101,653	14,217	115,870
Grants	54,228	80,372	134,600
Gifts in kind	21,919	—	21,919
Special Event Proceeds, net	15,737	—	15,737
Interest	1,321	—	1,321
Other	3,539	—	3,539
	96,744	80,372	177,116
Net assets released from restrictions	47,462	(47,462)	—
Total revenues and other support	245,859	47,127	292,986
Expenses			
Salaries, wages, and benefits	160,576	—	160,576
Supplies/teaching materials and related	22,510	—	22,510
Rent expense	17,333	—	17,333
Utilities/repairs and maintenance	2,712	—	2,712
Insurance	2,176	—	2,176
Depreciation	11,337	—	11,337
Professional Services	5,320	—	5,320
Fundraising Expenses	12,617	—	12,617
Other	195	—	195
Total expenses	234,776	—	234,776
Change in net assets	11,083	47,127	58,210
Net assets at beginning of year	80,577	55,651	136,228
Net assets at end of year	\$ 91,660	\$ 102,778	\$ 194,438

See accountant's notes to financial statements.

Youth Life Foundation of Richmond

Statements of Activities (continued)

Year ended December 31, 2007

	Unrestricted	Temporarily Restricted	Total
Revenues and other support			
Contributions:			
Individuals	\$ 57,416	\$ —	\$ 57,416
Churches and civic	24,515	—	24,515
Corporate	8,200	—	8,200
Total contributions	90,131	—	90,131
Grants	25,000	31,000	56,000
Gifts in kind	—	10,000	10,000
Special Event Proceeds, net	42,661	—	42,661
Interest	1,592	—	1,592
Other	762	—	762
	70,015	41,000	111,015
Net assets released from restrictions	18,435	(18,435)	—
Total revenues and other support	178,581	22,565	201,146
Expenses			
Salaries, wages, and benefits	114,080	—	114,080
Supplies/teaching materials and related	18,851	—	18,851
Rent expense	10,313	—	10,313
Utilities/repairs and maintenance	3,049	—	3,049
Insurance	2,935	—	2,935
Depreciation	12,923	—	12,923
Professional Services	10,202	—	10,202
Fundraising Expenses	13,048	—	13,048
Other	133	—	133
Total expenses	185,534	—	185,534
Change in net assets	(6,953)	22,565	15,612
Net assets at beginning of year	87,530	33,086	120,616
Net assets at end of year	\$ 80,577	\$ 55,651	\$ 136,228

See accountant's notes to financial statements.

Youth Life Foundation of Richmond

Statements of Cash Flows

	Year ended December 31	
	2008	2007
Operating activities		
Change in net assets	\$ 58,210	\$ 15,612
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	11,337	12,923
Loss on sale of assets	1,016	-
Changes in:		
Grants Receivable	(60,000)	60
Accounts payable/accrued payroll	8,774	(2,134)
Net cash provided by operating activities	<u>19,337</u>	<u>26,461</u>
Investing activities		
Acquisition of property and equipment	(25,299)	(3,184)
Proceeds from sale of assets	500	-
Net cash used in investing activities	<u>(24,799)</u>	<u>(3,184)</u>
Net change in cash	(5,462)	23,277
Cash at beginning of year	116,478	93,201
Cash at end of year	<u>\$ 111,016</u>	<u>\$ 116,478</u>

See accountant's notes to financial statements.

Youth Life Foundation of Richmond

Notes to Financial Statements

December 31, 2008 and 2007

1. Nature of Activities and Significant Accounting Policies

Nature of Activities

The Youth Life Foundation of Richmond (“Foundation”), a non-profit organization affiliated with the Daryl Green Foundation of Washington, DC, provides educational and recreational programs designed to meet physical, social, and emotional needs of disadvantaged students and their families in the surrounding neighborhoods of Richmond, VA.

Basis of Accounting

The Foundation’s financial statements are prepared on an accrual basis. Under this method, revenues and support are recognized when earned and expenses are recognized when incurred. Cash or other assets are recorded when received. Revenues and support are considered earned when cash is received.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Foundation’s 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. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Unrestricted Net Assets

These net assets represent the accumulation of certain contributions, gifts and bequests which are available for general operations of the Foundation and are neither permanently nor temporarily restricted.

See accountant’s notes to financial statements.

Youth Life Foundation of Richmond
Notes to Financial Statements (continued)

1. Nature of Activities and Significant Accounting Policies (continued)

Temporarily Restricted Net Assets

Temporarily restricted net assets represent the accumulation of certain contributions, gifts and bequests whose use is limited by donor-imposed restrictions that either expires with passage of time or are fulfilled and removed by actions of the Foundation pursuant to those restrictions. As the donor-imposed restrictions are satisfied by action or passage of time, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. In instances where the Foundation receives donor-restricted contributions and satisfies those restrictions in the same reporting period, the contributions are considered unrestricted support.

Property and Equipment

Property and equipment purchased by the Foundation are recorded at cost. Property and equipment received directly from donors are recorded at fair market value on the date of donation.

Building

Use of a building and office space is provided free of charge as an in-kind donation from a local business. The rental value of the building is included in revenues and applied as rent expense on the Statement of Activities. Also see Note 3 to Notes to Financial Statements for an operational breakdown of rent expense.

Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is also exempt from state income taxes.

Credit Risk

The Foundation's cash is held in financial institutions with high credit ratings in order to mitigate credit risk.

Youth Life Foundation of Richmond
Notes to Financial Statements (continued)

Special Event Proceeds

During 2008, the Foundation held a Gala which is shown in the Statement of Activities as “Special Event Proceeds, net”.

During 2007, the Foundation held their First Golf Tournament which is shown in the Statement of Activities as “Special Event Proceeds, net”.

Highland Park Center

The Foundation opened a new learning center in Highland Park during 2008.

See accountant’s notes to financial statements.

Youth Life Foundation of Richmond

Notes to Financial Statements (continued)

2. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following uses:

	<u>2008</u>	<u>2007</u>
Delmont Program	\$ 14,217	\$ 8,171
Highland Park Program	74,362	47,000
Summer Academic and Character Development Program	10,000	-
Fundraising	4,199	-
Other	-	500
	<u>\$ 102,778</u>	<u>\$ 55,651</u>

3. Expenses

During the years ended December 31, 2008 and 2007, the Foundation incurred the following expenses:

	<u>2008</u>				
	<u>Delmont Program</u>	<u>Highland Park Program</u>	<u>Administration</u>	<u>Fundraising</u>	<u>Total</u>
Salaries, wages, and benefits	\$103,504	\$ 28,827	\$ 12,135	\$ 16,110	\$160,576
Supplies/teaching materials	16,175	4,551	1,277	507	22,510
Rent expense	12,000	5333	-	-	17,333
Utilities	1,206	-	1,506	-	2,712
Insurance	1,176	-	1,000	-	2,176
Depreciation	8,058	2,029	1,250	-	11,337
Professional Services	550	437	3,233	1,100	5,320
Fundraising Expenses	212	189	404	11,812	12,617
Other	-	-	195	-	195
Total expenses	<u>\$150,153</u>	<u>\$ 35,407</u>	<u>\$ 19,982</u>	<u>\$ 29,234</u>	<u>\$ 234,776</u>

See accountant's notes to financial statements.

Youth Life Foundation of Richmond
Notes to Financial Statements (continued)

3. Expenses (continued)

	2007			Total
	Delmont Program	Administration	Fundraising	
Salaries, wages, and benefits	\$ 85,390	\$13,690	\$15,000	\$114,080
Supplies/teaching materials	18,496	355	—	18,851
Rent expense	10,313	—	—	10,313
Utilities	3,049	—	—	3,049
Insurance	2,935	—	—	2,935
Depreciation	12,508	415	—	12,923
Professional Services	—	10,202	—	10,202
Fundraising Expenses	—	—	13,048	13,048
Other	—	133	—	133
Total expenses	\$132,824	\$ 24,662	\$ 28,048	\$ 185,534

4. Grants Receivable

The Foundation received commitments for grants that will not be received until after December 31, 2008. The grant amounts are presented as Assets in the Statement of Financial Position as follows:

<u>Donor</u>	<u>Date Expected</u>	<u>Current</u>	<u>Other</u>
Carmax Foundation	2009	\$ 10,000	-
The Community Foundation	2009	\$ 30,000	-
The Community Foundation	2010	-	\$ 20,000
Totals		\$ 40,000	\$ 20,000

See accountant's notes to financial statements.