



FINANCIAL STATEMENTS

**For the Years Ended March 31, 2016 and 2015
with
Independent Auditors' Report**

YOUTH VOLUNTEER CORPS

FINANCIAL STATEMENTS

March 31, 2016 and 2015

CONTENTS

	<u>Page</u>
Independent Auditors' Report.....	1 – 2
Financial Statements:	
Statements of Financial Position.....	3
Statements of Activities	4
Statements of Functional Expenses.....	5 – 6
Statements of Cash Flows	7
Notes to Financial Statements.....	8 – 16



Keller & Owens, LLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Youth Volunteer Corps

We have audited the accompanying financial statements of **Youth Volunteer Corps** (a nonprofit organization), which comprise the statements of financial position as of March 31, 2016 and 2015, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

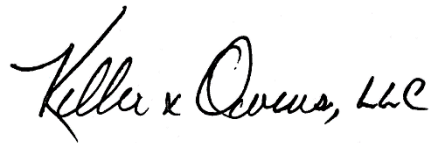
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Restatement

We draw attention to Note 14 to the financial statements, which describes that the previously issued financial statements for the year ended March 31, 2015 have been restated for the correction of a material misstatement. Our opinion is not modified with respect to this matter.

A handwritten signature in black ink that reads "Keller & Owens, LLC". The signature is written in a cursive, flowing style.

Overland Park, Kansas
July 27, 2016

YOUTH VOLUNTEER CORPS

STATEMENTS OF FINANCIAL POSITION

March 31, 2016 and 2015

ASSETS

	2016	2015
Cash and Cash Equivalents	\$ 236,733	\$ 205,486
Certificates of Deposit, at cost	225,242	474,122
Receivables:		
Federal grants, no allowance for doubtful accounts	20,942	13,727
Pledges	26,998	55,111
Affiliate sites, no allowance for doubtful accounts	-	5,600
Interest	87	131
Prepaid Expenses	3,713	-
Investments, at fair value	248,446	-
Property and Equipment, net	29,362	39,927
Other Assets	8,291	8,573
Total Assets	\$ 799,814	\$ 802,677

LIABILITIES AND NET ASSETS

Accounts Payable	\$ 7,254	\$ 11,697
Affiliate Sites Payable	-	29,000
Accrued Expenses	21,912	8,278
Total Liabilities	29,166	48,975
Net Assets:		
Unrestricted:		
Undesignated	713,219	693,272
Board-designated	2,375	2,375
Total Unrestricted	715,594	695,647
Temporarily restricted	55,054	58,055
Total Net Assets	770,648	753,702
Total Liabilities and Net Assets	\$ 799,814	\$ 802,677

See accompanying notes

YOUTH VOLUNTEER CORPS

STATEMENTS OF ACTIVITIES Years Ended March 31, 2016 and 2015

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and Revenue:						
Contributions:						
Individuals	\$ 80,518	\$ 2,482	\$ 83,000	\$ 183,591	\$ 50,000	\$ 233,591
Corporations	72,367	12,000	84,367	79,148	51,000	130,148
Foundations	<u>164,785</u>	<u>18,929</u>	<u>183,714</u>	<u>108,602</u>	<u>55,000</u>	<u>163,602</u>
Total Contributions	317,670	33,411	351,081	371,341	156,000	527,341
Federal grants	-	282,078	282,078	-	215,632	215,632
Affiliate sites	165,783	-	165,783	107,895	-	107,895
Other revenue	381	-	381	2,431	-	2,431
Net assets released from restriction	<u>318,490</u>	<u>(318,490)</u>	<u>-</u>	<u>340,581</u>	<u>(340,581)</u>	<u>-</u>
Total Support and Revenue	802,324	(3,001)	799,323	822,248	31,051	853,299
Expenses:						
Program services	669,212	-	669,212	613,746	-	613,746
Management and general	47,652	-	47,652	51,649	-	51,649
Fundraising	<u>65,513</u>	<u>-</u>	<u>65,513</u>	<u>54,745</u>	<u>-</u>	<u>54,745</u>
Total Expenses	782,377	-	782,377	720,140	-	720,140
Change in Net Assets	19,947	(3,001)	16,946	102,108	31,051	133,159
Net Assets at Beginning of Year	<u>695,647</u>	<u>58,055</u>	<u>753,702</u>	<u>593,539</u>	<u>27,004</u>	<u>620,543</u>
Net Assets at End of Year	<u>\$ 715,594</u>	<u>\$ 55,054</u>	<u>\$ 770,648</u>	<u>\$ 695,647</u>	<u>\$ 58,055</u>	<u>\$ 753,702</u>

See accompanying notes

YOUTH VOLUNTEER CORPS

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended March 31, 2016

	Program Services	Support Activities		
	Affiliate Development	Management and General	Fundraising	Total
Salaries and benefits	\$ 473,493	\$ 20,602	\$ 45,622	\$ 539,717
Affiliate support and programming	72,027	46	98	72,171
Rent	62,208	4,499	9,667	76,374
Travel	26,520	1,777	589	28,886
Professional and consulting	-	14,878	2,113	16,991
Depreciation	9,744	705	1,514	11,963
Insurance	8,562	619	1,331	10,512
Information technology	4,329	3,892	374	8,595
Printing and production	1,971	107	3,199	5,277
Telephone and communication	3,278	182	182	3,642
Office supplies	2,831	205	440	3,476
Training and staff development	2,128	76	145	2,349
Miscellaneous	2,121	64	239	2,424
	<u>\$ 669,212</u>	<u>\$ 47,652</u>	<u>\$ 65,513</u>	<u>\$ 782,377</u>
Total Expenses	<u>\$ 669,212</u>	<u>\$ 47,652</u>	<u>\$ 65,513</u>	<u>\$ 782,377</u>

See accompanying notes

YOUTH VOLUNTEER CORPS

STATEMENT OF FUNCTIONAL EXPENSES Year Ended March 31, 2015

	Program Services	Support Activities		
	Affiliate Development	Management and General	Fundraising	Total
Salaries and benefits	\$ 426,067	\$ 24,394	\$ 36,512	\$ 486,973
Affiliate support and programming	75,424	47	74	75,545
Rent	59,889	5,850	9,115	74,854
Travel	18,047	120	187	18,354
Professional and consulting	-	14,592	1,538	16,130
Depreciation	10,367	1,012	1,578	12,957
Information technology	3,634	3,774	1,183	8,591
Insurance	5,288	516	805	6,609
Office supplies	4,803	469	731	6,003
Printing and production	1,817	317	2,674	4,808
Telephone and communication	3,767	159	39	3,965
Training and staff development	2,913	269	226	3,408
Miscellaneous	1,730	130	83	1,943
	<u>\$ 613,746</u>	<u>\$ 51,649</u>	<u>\$ 54,745</u>	<u>\$ 720,140</u>
Total Expenses	<u>\$ 613,746</u>	<u>\$ 51,649</u>	<u>\$ 54,745</u>	<u>\$ 720,140</u>

See accompanying notes

YOUTH VOLUNTEER CORPS

STATEMENTS OF CASH FLOWS Years Ended March 31, 2016 and 2015

	2016	2015
Cash Flows from Operating Activities:		
Cash received from donors	\$ 364,194	\$ 479,911
Cash received from others	451,551	329,890
Interest received	868	1,388
Cash paid to vendors and others	(265,222)	(195,466)
Cash paid to employees	(528,432)	(488,398)
Net Cash Provided by Operating Activities	22,959	127,325
Cash Flows from Investing Activities:		
Redemption of certificates of deposit	474,661	473,470
Purchases of certificates of deposit	(225,781)	(474,858)
Purchases of investments	(253,776)	-
Proceeds from sale of investments	14,582	-
Purchases of property and equipment	(1,398)	(14,907)
Net Cash Provided (Used) by Investing Activities	8,288	(16,295)
Net Change in Cash and Cash Equivalents	31,247	111,030
Cash and Cash Equivalents, Beginning of Year	205,486	94,456
Cash and Cash Equivalents, End of Year	\$ 236,733	\$ 205,486
Reconciliation of Change in Net Assets to Cash		
Provided by Operating Activities:		
Change in net assets	\$ 16,946	\$ 133,159
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	11,963	12,957
Donated stock	(15,000)	-
Net realized and unrealized losses	5,748	-
(Increase) decrease in:		
Accounts receivable	26,542	(42,110)
Prepaid expenses and other assets	(3,431)	843
Increase (decrease) in:		
Accounts payable	(4,443)	(8,507)
Affiliate sites payable	(29,000)	29,000
Accrued expenses	13,634	1,983
Net Cash Provided by Operating Activities	\$ 22,959	\$ 127,325

See accompanying notes

YOUTH VOLUNTEER CORPS

NOTES TO FINANCIAL STATEMENTS

March 31, 2016 and 2015

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – Youth Volunteer Corps (“YVC”) was incorporated as a Missouri not-for-profit corporation in 1991. YVC was organized to create volunteer opportunities to address community needs and to inspire youth for a lifetime commitment to service. YVC is primarily funded by contributions from foundations, corporations, and individuals, as well as by government grants.

YVC is located in approximately 40 communities across the United States and Canada. YVC 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.

YVC’s primary responsibility is to act as an international headquarters and support its affiliates, which are essentially YVC programs sponsored by community or government organizations such as a local YMCA or United Way. YVC does not own or control any of these community or government organizations, nor are any of them fiscally dependent upon YVC or vice versa.

Accounts receivable – Accounts receivable primarily consist of amounts due from federal and state government agencies and from affiliates for membership dues and other fees. Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off to the valuation allowance and a credit to the accounts receivable account is recorded.

Basis of accounting – YVC prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of presentation – Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 958-210, which requires YVC to report information regarding its financial position and activities according to three classes of net assets:

Unrestricted net assets – include unrestricted resources which represent the portion of funds that are available for the operating objectives of YVC. Board-designated net assets represent amounts YVC has set aside for a specific purpose.

YOUTH VOLUNTEER CORPS

NOTES TO FINANCIAL STATEMENTS

March 31, 2016 and 2015

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Temporarily restricted net assets – consist of donor-restricted contributions. Amounts restricted by donors for a specific purpose are deemed to be earned and reported as temporarily restricted revenue, when received, and such unexpended amounts are reported as temporarily restricted net assets at year-end. When the donor restriction expires, that is, when a stipulated time or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as “net assets released from restriction.”

Permanently restricted net assets – consist of donor-restricted contributions, which are required to be held in perpetuity. Income from the assets held is available for either general operations or specific purposes, in accordance with donor stipulations. There were no permanently restricted net assets as of March 31, 2016 or 2015.

Cash and cash equivalents – For the purposes of the statements of cash flows, YVC considers those highly-liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Certificates of deposit – Certificates of deposit of \$225,242 and \$474,122 were held by YVC at March 31, 2016 and 2015, respectively. At March 31, 2016, one certificate of deposit was being held with an original maturity of one year and an interest rate of 0.38%.

Concentrations of credit risk – YVC maintains its cash in bank accounts in amounts that may exceed federally insured limits at times. YVC has not experienced any losses in these accounts in the past, and management believes YVC is not exposed to significant credit risks as they periodically evaluate the strength of the financial institutions in which it deposits funds.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional expense allocation – Expenses are charged to each program based on direct expenditures incurred. Expenses which cannot readily be related to a specific program are charged to the various programs based upon hours worked, number of program staff, square footage, or other reasonable methods. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of YVC.

YOUTH VOLUNTEER CORPS

NOTES TO FINANCIAL STATEMENTS

March 31, 2016 and 2015

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In-kind donations – Office space rent, donated stock, and federal grant assistance are reflected as contributions and federal grant revenue at their estimated values at date of receipt, summarized below for the years ended March 31, 2016 and 2015, respectively.

	<u>2016</u>	<u>2015</u>
<u>Contributions</u>		
Rent	\$ 45,297	\$ 45,648
Stock	15,000	-
<u>Federal grants</u>		
AmeriCorps VISTA	<u>8,598</u>	<u>20,254</u>
 Total In-Kind Donations	 <u>\$ 68,895</u>	 <u>\$ 65,902</u>

A number of volunteers donate services to YVC. These services do not meet the criteria for recognition as contributions and are not reflected in the accompanying financial statements.

Income taxes – YVC is a non-profit organization exempt from Federal income taxes, except on unrelated income, under Section 501(c)(3) of the Internal Revenue Code (“the Code”). Contributions to YVC are deductible within the limitations of the Code. The Organization has been classified as a publicly-supported entity which is not a private foundation under Section 509(a) of the Code.

YVC’s policy with regard to FASB ASC 740-10 is to record a liability for any tax position that is beneficial to YVC, including any related interest and penalties, when it is more likely than not the position taken by management with respect to the transaction or class of transactions will be overturned by a taxing authority upon examination. Management believes there are no such positions as of March 31, 2016 and 2015, and accordingly, no liability has been accrued. However, YVC’s returns are subject to examination by the Internal Revenue Service generally for three years after they are filed.

Investments – Investments in marketable securities with readily determinable fair values are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets.

Pledges receivable – Pledges are recognized as support in the period the promises to give are received. Conditional promises to give, which depend upon specified future and certain events, are recognized as support when the conditions upon which they depend are substantially met. Pledges receivable are stated at the amount management expects to collect from balances outstanding at year end. Management provides for estimated uncollectible amounts through a charge to the statement of activities and a credit to a valuation allowance based on its assessment of the current status of individual accounts. There was no allowance for uncollectible pledges as of March 31, 2016 and 2015.

YOUTH VOLUNTEER CORPS

NOTES TO FINANCIAL STATEMENTS

March 31, 2016 and 2015

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment – Property and equipment are stated at cost. Expenditures for major renewals and betterments exceeding \$1,000 and that extend the useful life of assets are capitalized. Depreciation and amortization are charged to operations using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows:

	<u>Useful Life</u>
Furniture, fixtures and equipment	3 - 7 years
Software and website	3 years

Reclassifications – Certain accounts for the fiscal year ended March 31, 2015 have been reclassified to conform to the current year presentation.

Revenue recognition – Federal grant revenue is recognized when the underlying, allowable grant expenditures are incurred. Affiliate site dues are generally due at the beginning of each membership period and recognized on a pro-rated basis over the related membership period. Unearned dues received in advance are recorded as deferred revenue on the statements of financial position. Other amounts charged to affiliate sites are recorded when billed.

Subsequent events – Management has evaluated events and transactions that have occurred since March 31, 2016 and reflected their effects, if any, in these financial statements through July 27, 2016, the date the financial statements were available to be issued.

2. PLEDGES RECEIVABLE

Pledges receivable consisted of the following at March 31:

	<u>2016</u>	<u>2015</u>
Due in less than one year	\$ 26,998	\$ 29,111
Due in one to five years	-	<u>26,000</u>
Total Pledges Receivable	<u>\$ 26,998</u>	<u>\$ 55,111</u>

YOUTH VOLUNTEER CORPS

NOTES TO FINANCIAL STATEMENTS

March 31, 2016 and 2015

3. INVESTMENT RETURN

Investment return consisted of the following for the years ending March 31:

	2016	2015
Interest and dividends	\$ 4,028	\$ -
Net realized and unrealized losses	(5,748)	-
Total Investment Return	\$ (1,720)	\$ -

4. FAIR VALUE MEASUREMENTS

The objective of a fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Accordingly, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three-tier hierarchy of inputs is summarized in the three broad levels below:

- Level 1 - inputs are unadjusted quoted market prices in active independent markets for identical assets and liabilities;
- Level 2 - inputs are directly or indirectly observable estimates from quotes for similar but not identical assets and liabilities, market trades for identical assets not actively traded or other external independent means;
- Level 3 - inputs are unobservable and reflect assumptions on the part of the reporting entity.

The following table sets forth information about the levels within the fair value hierarchy at which YVC's financial assets are measured on a recurring basis as of March 31, 2016. There were no fair value measurements for the year ended March 31, 2015.

March 31, 2016	Level 1	Level 2	Level 3	Total
Investments:				
Mutual funds:				
Index – S&P 500	\$ 248,446	\$ -	\$ -	\$ 248,446
 Total investments – recurring basis	 \$ 248,446	 \$ -	 \$ -	 \$ 248,446

YOUTH VOLUNTEER CORPS

NOTES TO FINANCIAL STATEMENTS

March 31, 2016 and 2015

5. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at March 31:

	2016	2015
Furniture, fixtures, and equipment	\$ 51,056	\$ 51,056
Software and website	20,078	18,680
Less accumulated depreciation	(41,772)	(29,809)
Property and Equipment, net	\$ 29,362	\$ 39,927

6. OTHER ASSETS

Other assets consist of the following at March 31:

Trademarks:		
Word mark	\$ 4,163	\$ 4,163
Design mark	2,045	2,045
Office rent deposit	2,083	2,083
Other	-	282
Total Other Assets	\$ 8,291	\$ 8,573

The trademarks are comprised of the associated legal and filing 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, 2016 or 2015. Additionally, no impairment has been recorded as of March 31, 2016 or 2015.

7. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following at March 31:

<u>Time Restricted</u>		
Pledges receivable	\$ 26,000	\$ 52,000
<u>Purpose Restricted</u>		
Service Learning Library	10,000	-
Don and Jean Sloan Scholarship Fund	1,125	1,625
Adele Hall Joy of Serving Fund	17,929	-
Attic Renovations	-	4,430
Total Temporarily Restricted Net Assets	\$ 55,054	\$ 58,055

YOUTH VOLUNTEER CORPS

NOTES TO FINANCIAL STATEMENTS

March 31, 2016 and 2015

7. TEMPORARILY RESTRICTED NET ASSETS (continued)

Net assets were released from time and donor-imposed restrictions as follows:

	<u>2016</u>	<u>2015</u>
Pledges receivable	\$ 26,000	\$ -
Student Leader	-	25,000
YVC Summit Conference	4,332	26,000
Don and Jean Sloan Scholarship Fund	500	500
Adele Hall Joy of Serving Fund	-	37,500
AmeriCorps grants	282,078	226,011
Facility Renovations	4,430	25,570
Other	<u>1,150</u>	<u>-</u>
Net Assets Released from Restriction	<u>\$ 318,490</u>	<u>\$ 340,581</u>

8. FEDERAL GRANTS

On July 25, 2013, YVC was awarded \$263,840 in federal grant funds by the Corporation for National and Community Service (“CNCS”) for each year during the three-year grant period beginning September 1, 2013 and ending August 31, 2016. Such funds are available to be drawn down at any time, regardless of when expenditures are incurred. During the fiscal year ended March 31, 2016, \$273,480 of this grant was recognized as federal grant revenue, of which \$20,942 was included in federal grants receivable. During the fiscal year ended March 31, 2015, \$195,377 of this grant was recognized as federal grant revenue, of which \$13,727 was included in federal grants receivable.

9. RELATED PARTY TRANSACTIONS

For the year ended March 31, 2016, approximately 20% of total contributions revenue and 100% of pledges receivable originated from board members, key management, staff, and their immediate family members. For the year ended March 31, 2015, approximately 24% of total contributions revenue and 100% of pledges receivable originated from board members, key management, staff, and their immediate family members.

10. CONCENTRATION OF REVENUE RISK

For the year ended March 31, 2016, two donors contributed approximately \$142,000 or 40% of total contribution revenue. For the year ended March 31, 2015, three donors contributed approximately \$317,000 or 60% of total contribution revenue. One of these donors was a related party.

YOUTH VOLUNTEER CORPS

NOTES TO FINANCIAL STATEMENTS

March 31, 2016 and 2015

11. LEASE COMMITMENT

YVC entered into an operating lease for office space on August 1, 2012, expiring September 30, 2017. Rental payments associated with this operating lease are charged to expense as incurred.

Minimum future lease payments under the non-cancelable operating lease are as follows:

<u>Fiscal Year Ending March 31:</u>	
2017	\$ 29,479
2018	<u>12,500</u>
Total	<u>\$ 41,979</u>

Rent expense for the years ended March 31, 2016 and 2015 was \$76,374 and \$74,854, respectively, of which \$45,297 and \$45,648, respectively, was considered to be an in-kind contribution from the landlord.

12. BENEFICIAL INTEREST IN COMMUNITY FOUNDATION

On January 27, 2014, a donor established the Adele Hall Joy of Serving Fund (“Fund”) at the Greater Kansas City Community Foundation (“GKCCF”). The establishing document called for GKCCF to distribute annual net income from the Fund to YVC 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 YVC.”

After the fifteenth anniversary of the date of this establishing document, if YVC 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, YVC 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 purposes or to specified charitable organizations. As a result, YVC has not recorded the principal of the Fund and only records contribution revenue upon the receipt of distributions from the Fund. YVC received annual distributions from the Fund in the amount of \$71,714 and \$99,877 during the years ended March 31, 2016 and 2015, respectively.

YOUTH VOLUNTEER CORPS

NOTES TO FINANCIAL STATEMENTS

March 31, 2016 and 2015

13. CONTINGENCY

On February 25, 2016, YVC entered into a contract for services and accommodations for a future event. If YVC were to breach this contract, it would incur liquidating damages ranging from approximately \$5,700 to \$18,300.

14. PRIOR PERIOD RESTATEMENT

At March 31, 2015, YVC did not properly relieve temporarily restricted net assets for a promise to give to an organization made during the fiscal year; therefore, certain balances as of March 31, 2015 have been restated. The effects of these restatements at March 31, 2015 were as follows:

	As Previously Reported, <u>Mar 31, 2015</u>	<u>Adjustments</u>	As Restated, <u>Mar 31, 2015</u>
Total Support and Revenue:			
Unrestricted	\$ 797,248	25,000	822,248
Temporarily restricted	56,051	(25,000)	31,051
Net Assets:			
Unrestricted	670,647	25,000	695,647
Temporarily restricted	83,055	(25,000)	58,055
Change in Net Assets:			
Unrestricted	77,108	25,000	102,108
Temporarily restricted	56,051	(25,000)	31,051