

**Young Voices**

Financial Statements  
and Independent Auditor's Report

May 31, 2023 (Audited) and 2022 (Reviewed)

# **Young Voices**

## **Financial Statements May 31, 2023 (Audited) and 2022 (Reviewed)**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
Young Voices

### ***Opinion***

We have audited the accompanying financial statements of Young Voices, which comprise the statement of financial position as of May 31, 2023; the related statements of activities, functional expenses, and cash flows for the year 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 Young Voices as of May 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Young Voices and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Other Matter***

The 2022 financial statements were reviewed by us and our report thereon, dated August 15, 2022, stated we were not aware of any material modifications that should be made to those statements for them to be in accordance with accounting principles generally accepted in the United States of America. A review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements as a whole.

### ***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 Young Voices' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditor's 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 auditor's 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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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 Young Voices' internal control. Accordingly, no such opinion is expressed.

*Auditor's Responsibilities for the Audit of the Financial Statements (continued)*

- 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 Young Voices' 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.

A handwritten signature in black ink that reads "Rogers + Company PLLC". The signature is stylized, with a large, looped "R" and a cursive "Company".

Vienna, Virginia  
September 7, 2023

## Young Voices

### Statements of Financial Position May 31, 2023 (Audited) and 2022 (Reviewed)

	2023	2022
<b>Assets</b>		
Cash	\$ 232,150	\$ 732,757
Investments	723,361	-
Contributions receivable	150,116	100,000
Prepaid expenses	13,440	-
Total assets	<u>\$ 1,119,067</u>	<u>\$ 832,757</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	<u>\$ 25,249</u>	<u>\$ -</u>
Total liabilities	<u>25,249</u>	<u>-</u>
<b>Net Assets</b>		
Without donor restrictions	943,702	632,757
With donor restrictions	<u>150,116</u>	<u>200,000</u>
Total net assets	<u>1,093,818</u>	<u>832,757</u>
Total liabilities and net assets	<u>\$ 1,119,067</u>	<u>\$ 832,757</u>

*See accompanying notes.*

## Young Voices

### Statement of Activities For the Year Ended May 31, 2023 (Audited)

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Support</b>			
Contributions:			
Corporations	\$ 676,500	\$ 125,000	\$ 801,500
Foundations	510,500	20,000	530,500
Individuals	115,245	-	115,245
Nonprofits	134,045	51,116	185,161
DAF – Individuals	136,096	-	136,096
DAF – Foundations	6,000	-	6,000
Investment return, net	20,760	-	20,760
Other income	6,200	-	6,200
Released from restrictions	246,000	(246,000)	-
	<u>1,851,346</u>	<u>(49,884)</u>	<u>1,801,462</u>
Total revenue and support			
	<u>1,851,346</u>	<u>(49,884)</u>	<u>1,801,462</u>
<b>Expenses</b>			
Program services	1,292,053	-	1,292,053
Management and general	56,260	-	56,260
Fundraising	192,088	-	192,088
	<u>1,540,401</u>	<u>-</u>	<u>1,540,401</u>
Total expenses			
	<u>1,540,401</u>	<u>-</u>	<u>1,540,401</u>
<b>Change in Net Assets</b>	310,945	(49,884)	261,061
<b>Net Assets, beginning of year</b>	<u>632,757</u>	<u>200,000</u>	<u>832,757</u>
<b>Net Assets, end of year</b>	<u><u>\$ 943,702</u></u>	<u><u>\$ 150,116</u></u>	<u><u>\$ 1,093,818</u></u>

*See accompanying notes.*

## Young Voices

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

	Without Donor Restrictions	With Donor Restrictions	Total
<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
Investment return, net	179	-	179
Released from restrictions	10,000	(10,000)	-
Total revenue and support	<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
Total expenses	<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>

*See accompanying notes.*



## Young Voices

### Statement of Functional Expenses For the Year Ended May 31, 2023 (Audited)

		Supporting Services		
	Program Services	Management and General	Fundraising	Total
Salaries	\$ 524,849	\$ 24,667	\$ 108,959	\$ 658,475
Employee benefits	29,961	803	3,624	34,388
Payroll taxes	47,251	2,153	9,199	58,603
Awards	64,146	-	-	64,146
Meetings	119,362	-	575	119,937
Office expenses	12,391	4,424	5,169	21,984
Other services	151,892	-	3,299	155,191
Travel	185,654	-	3,723	189,377
Website subscriptions	41,311	7,191	27,944	76,446
Finance	-	14,869	-	14,869
Insurance	1,971	1,515	424	3,910
Advertising	72,533	-	8,181	80,714
Fundraising	-	-	20,991	20,991
Rent	40,732	-	-	40,732
Legal	-	638	-	638
<b>Total Expenses</b>	<b>\$ 1,292,053</b>	<b>\$ 56,260</b>	<b>\$ 192,088</b>	<b>\$ 1,540,401</b>

See accompanying notes.

## Young Voices

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

	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

### Statements of Cash Flows For the Years Ended May 31, 2023 (Audited) and 2022 (Reviewed)

	2023	2022
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 261,061	\$ 429,539
Change in operating assets and liabilities:		
(Increase) decrease in:		
Unrealized gain on investments	(3,761)	-
Realized gain on investments	(10,103)	-
Contributions receivable	(50,116)	(72,346)
Prepaid expenses	(13,440)	-
Increase in:		
Accounts payable	25,249	-
Net cash provided by operating activities	<u>208,890</u>	<u>357,193</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of investments	(1,626,123)	-
Sale of investments	916,626	-
Purchase of certificates of deposit	(352,000)	-
Maturity of certificates of deposit	<u>352,000</u>	<u>-</u>
Net cash used in financing activities	<u>(709,497)</u>	<u>-</u>
<b>Net (Decrease) Increase in Cash</b>	(500,607)	357,193
<b>Cash, beginning of year</b>	<u>732,757</u>	<u>375,564</u>
<b>Cash, end of year</b>	<u><u>\$ 232,150</u></u>	<u><u>\$ 732,757</u></u>

*See accompanying notes.*

## Young Voices

### Notes to Financial Statements May 31, 2023 (Audited) and 2022 (Reviewed)

#### 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.

##### Investments

Investments are recorded at fair value based on quoted market prices. All realized and unrealized gains and losses, net of investment management fees, are reported as a component of net investment return in the accompanying statements of activities. Money market and US government securities, held as a portion of Young Voices' investment portfolio, are not considered to be cash equivalents for the purpose of cash flows.

## Young Voices

Notes to Financial Statements  
May 31, 2023 (Audited) and 2022 (Reviewed)

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

#### 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, 2023 and 2022, and accordingly, no allowance for uncollectible accounts has been established.

#### Leases

Young Voices records a right-of-use asset and lease liability for its operating lease at the lease commencement date. The right-of-use asset is amortized over the shorter of the lease term or the economic life of leased asset. The associated lease liability represents the net present value of the future amounts due under the lease, calculated using a risk-free rate of return selected based on the term of the lease. For real estate leases, non-lease components are separated from the lease components for accounting purposes. Young Voices does not apply the recognition requirements under Accounting Standards Codification (ASC) Topic 842, *Leases*, to short-term leases and membership agreements.

#### 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.

## Young Voices

### Notes to Financial Statements May 31, 2023 (Audited) and 2022 (Reviewed)

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

##### 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 September 7, 2023, 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.

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:

	<u>2023</u>	<u>2022</u>
Cash	\$ 232,150	\$ 732,757
Investments	723,361	-
Contributions receivable	150,116	100,000
Less: restricted by donors for purpose and time restrictions	<u>(150,116)</u>	<u>(200,000)</u>
Total available for general expenditures	<u>\$ 955,511</u>	<u>\$ 832,757</u>

## Young Voices

### Notes to Financial Statements May 31, 2023 (Audited) and 2022 (Reviewed)

#### 4. Concentration of Credit Risk

Financial instruments that potentially subject Young Voices to significant concentrations of credit risk consist of cash and investments. Young Voices maintains interest-bearing cash deposit and transaction accounts, along with investments, with various financial institutions and these values, from time to time, exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC). Young Voices has not experienced any credit losses on its cash and investments to date as it relates to FDIC and SIPC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

#### 5. Investments and Fair Value Measurements

Net investment return consists of the following for the years ended May 31:

	2023	2022
Interest and dividends	\$ 6,896	\$ 179
Realized gain	10,103	-
Unrealized gain	3,761	-
Total investment return, net	<u>\$ 20,760</u>	<u>\$ 179</u>

Young Voices did not have any investment management fees during the years ended May 31, 2023 and 2022.

Young Voices follows Financial Accounting Standards Board ASC 820, *Fair Value Measurements and Disclosures*, for its financial assets. This standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value measurement standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the entity's perceived risk of that instrument.

## Young Voices

### Notes to Financial Statements May 31, 2023 (Audited) and 2022 (Reviewed)

#### 5. Investments and Fair Value Measurements (continued)

The inputs used in measuring fair value are categorized into three levels. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and liabilities and have the highest priority. Level 2 is based upon observable inputs other than quoted market prices, and Level 3 is based on unobservable inputs. Transfers between levels in the fair value hierarchy are recognized at the end of the reporting period.

In general, and where applicable, Young Voices uses quoted prices in active markets for identical assets to determine the fair value of its investment. This pricing methodology applies to Level 1 investments. Level 2 inputs include US government securities, which are valued based on quoted prices in less active markets.

The following table presents Young Voices' fair value hierarchy for those investments measured on a recurring basis at May 31, 2023:

	Level 1	Level 2	Level 3	Total
Money market funds	\$ 891	\$ -	\$ -	\$ 891
US government securities	256,657	465,813	-	722,470
Total investments	<u>\$ 257,548</u>	<u>\$ 465,813</u>	<u>\$ -</u>	<u>\$ 723,361</u>

There were no investments at May 31, 2022.

#### 6. Net Assets With Donor Restrictions

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

	2023	2022
Purpose restricted:		
Regional Leaders Program	\$ -	\$ 65,000
Dissident Project	-	35,000
Total purpose restricted net assets	<u>-</u>	<u>100,000</u>
Time restricted	<u>150,116</u>	<u>100,000</u>
Net assets with donor restrictions	<u>\$ 150,116</u>	<u>\$ 200,000</u>



## **Young Voices**

### Notes to Financial Statements May 31, 2023 (Audited) and 2022 (Reviewed)

#### **7. Membership Agreement**

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 11 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. This agreement was terminated on August 31, 2022.

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. Subsequent to year end, in June 2023, this agreement was amended and extended to February 28, 2025, with a monthly rate of \$2,500 for the 12 months and \$2,588 for the subsequent six months starting September 1, 2023.

On September 8, 2022, Young Voices entered into a membership agreement for a new shared office space in New York, starting September 13, 2022, with an initial term of 13 months and a rate of \$1,347 for the first month and \$761 for the remaining 12 months for the lease expiring on September 30, 2023.

Young Voices does not apply the recognition requirements under ASC Topic 842, *Leases*, to short-term leases and membership agreement.

Rent expense was \$40,732 and \$24,010 for the years ended May 31, 2023 and 2022, respectively.

#### **8. 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.

## **Young Voices**

### **Notes to Financial Statements May 31, 2023 (Audited) and 2022 (Reviewed)**

#### **9. 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, 2023 and 2022 totaled \$11,623 and \$7,525, respectively.

#### **10. 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, 2023 and 2022, 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.