



Active Social Communities, Inc.
D/B/A Volo City Kids Foundation

Financial Statements

December 31, 2021 and 2020

Meadows Urquhart Acree & Cook, LLP
Certified Public Accountants

1802 Bayberry Court
Suite 102
Henrico, VA 23226

p 804 249 5786
f 804 249 5781
www.muacllp.com

Contents

Independent Accountant's Review Report	1
Financial Statements	
Statements of Financial Position	2
Statements of Activities and Changes in Net Assets.....	3
Statements of Functional Expenses	4 - 5
Statements of Cash Flows	6
Notes to Financial Statements	7 - 9

- Kelli P. Meadows
- Douglas A. Urquhart
- David C. Acree
- Shannon W. Cook

Independent Auditor's Report

To the Board of Directors
Active Social Communities, Inc.
D/B/A Volo City Kids Foundation
Baltimore, Maryland

We have reviewed the accompanying financial statements of Active Social Communities, Inc. D/B/A Volo City Kids Foundation (the Organization) which comprise the statements of financial position as of December 31, 2021 and 2020 and the related statements of activities and changes in net assets, functional expenses and cash flows for the years 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 the Organization's 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 engagements 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.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Accountant's Conclusion

Based on our reviews, 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.



Henrico, Virginia
February 13, 2024

Active Social Communities, Inc.
D/B/A Volo City Kids Foundation

Statements of Financial Position
December 31, 2021 and 2022

	2021	2020
Assets		
Current assets		
Cash	\$ 318,448	\$ 130,200
Pledges receivable	2,500	46,991
Grants receivable	14,969	-
Total current assets	<u>335,917</u>	<u>177,191</u>
Property and equipment, net	<u>2,801</u>	<u>5,000</u>
Total assets	<u><u>\$ 338,718</u></u>	<u><u>\$ 182,191</u></u>
Liabilities and Net Assets		
Current liabilities		
Accrued expenses	<u>\$ 5,885</u>	<u>\$ 10,094</u>
Total current liabilities	<u>5,885</u>	<u>10,094</u>
Total liabilities	5,885	10,094
Net assets without donor restrictions	<u>332,833</u>	<u>172,097</u>
Total liabilities and net assets	<u><u>\$ 338,718</u></u>	<u><u>\$ 182,191</u></u>

See Accompanying Notes to Financial Statements and Independent Accountant's Review Report.

Active Social Communities, Inc.
D/B/A Volo City Kids Foundation

Statements of Activities and Changes in Net Assets
Year Ended December 31, 2021

	2021	2020
Support		
Contributions and grants	\$ 349,037	\$ 237,989
Total support	349,037	237,989
Revenue		
Program income	113,055	33,614
Total revenue	113,055	33,614
Total support and revenue	462,092	271,603
Expenses		
Program services	346,700	189,909
Management and general	71,318	33,360
Fundraising	70,375	61,193
Total expenses	488,393	284,462
Equity transfer		
Contributed services from affiliate	187,037	-
Change in net assets	160,736	(12,859)
Net assets, beginning of year	172,097	184,956
Net assets, end of year	<u>\$ 332,833</u>	<u>\$ 172,097</u>

See Accompanying Notes to Financial Statements and Independent Accountant's Review Report.

**Active Social Communities, Inc.
D/B/A Volo City Kids Foundation**

**Statement of Functional Expenses
Year Ended December 31, 2021**

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Compensation expense	\$ 282,634	\$ 17,664	\$ 52,994	\$ 353,292
Program expense	28,994	-	-	28,994
Occupancy	-	20,760	-	20,760
Advertising and promotion	17,364	-	61	17,425
Campaign expense	-	-	17,320	17,320
Office expense	-	13,778	-	13,778
Insurance	8,604	1,222	-	9,826
Transportation	-	7,203	-	7,203
Permits	5,112	-	-	5,112
Miscellaneous	273	4,818	-	5,091
Professional fees	-	4,873	-	4,873
Background checks	2,145	-	-	2,145
Event expense	1,188	-	-	1,188
Depreciation	-	1,000	-	1,000
Training	386	-	-	386
Total expenses	<u>\$ 346,700</u>	<u>\$ 71,318</u>	<u>\$ 70,375</u>	<u>\$ 488,393</u>

See Accompanying Notes to Financial Statements and Independent Accountant's Review Report.

**Active Social Communities, Inc.
D/B/A Volo City Kids Foundation**

**Statement of Functional Expenses
Year Ended December 31, 2020**

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Compensation expense	\$ 155,360	\$ 9,710	\$ 29,130	\$ 194,200
Campaign expense	-	-	31,888	31,888
Program expense	18,626	-	-	18,626
Background checks	11,948	-	-	11,948
Insurance	1,835	3,976	-	5,811
Transportation	-	4,704	-	4,704
Professional fees	-	4,641	-	4,641
Miscellaneous	34	2,775	-	2,809
Office expense	-	3,394	-	3,394
Taxes and licenses	-	3,160	-	3,160
Event expense	1,930	-	-	1,930
Depreciation	-	1,000	-	1,000
Advertising and promotion	176	-	175	351
Total expenses	\$ 189,909	\$ 33,360	\$ 61,193	\$ 284,462

See Accompanying Notes to Financial Statements and Independent Accountant's Review Report.

**Active Social Communities, Inc.
D/B/A Volo City Kids Foundation**

**Statements of Cash Flows
Years Ended December 31, 2021 and 2020**

	2021	2020
Cash Flows From Operating Activities		
Change in net assets	\$ 160,736	\$ (12,859)
Adjustments to reconcile the change in net assets to net cash provided by (used in) operating activities:		
Depreciation	1,000	1,000
Decrease (increase) in:		
Pledges receivable	44,491	(25,980)
Grants receivable	(14,969)	-
Decrease in:		
Accrued expenses	(4,209)	(280)
Net cash provided by (used in) operating activities	<u>187,049</u>	<u>(38,119)</u>
Cash Flows From Investing Activities		
Proceeds from disposal of property and equipment	1,199	-
Purchase of property and equipment	-	(3,000)
Net cash provided by (used in) investing activities	<u>1,199</u>	<u>(3,000)</u>
Net change in cash	188,248	(41,119)
Cash, beginning of year	<u>130,200</u>	<u>171,319</u>
Cash, end of year	<u><u>\$ 318,448</u></u>	<u><u>\$ 130,200</u></u>

See Accompanying Notes to Financial Statements and Independent Accountant's Review Report.

**Active Social Communities, Inc.
D/B/A Volo City Kids Foundation**

Notes to Financial Statements

Note 1—Organization and Business

Active Social Communities, Inc. D/B/A Volo City Kids Foundation (the Organization) is a tax-exempt not-for-profit organization. The Volo City Kids Foundation uses the power of play to build communities of active, resilient and confident kids. The Volo City Kids Foundation accomplishes this by providing quality sports and after-school programs that remove the traditional barriers to athletic participation, such as limited financial resources and transportation. Programs are open to all kids, regardless of race, gender or experience level.

Note 2—Summary of Significant Accounting Policies

Basis of accounting: The financial statements of the Organization have been prepared on the accrual basis of accounting, whereby revenues are recorded when earned and expenses when incurred.

Basis of presentation: The Organization follows the provisions for Not-for-Profit Entities in accordance with accounting principles generally accepted in the United States of America (US GAAP). Under US GAAP, the Organization is required to report information regarding its financial position according to two classes of net assets based upon the existence or absence of restrictions on use that are in place by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity. There are no such donor-imposed restrictions as of December 31, 2021 and 2020.

Use of estimates: The presentation of financial statements requires 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, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income taxes: The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization has determined that it does not have any material unrecognized tax benefits or obligations as of December 31, 2021 and 2020.

Property and equipment: Property and equipment are stated at cost at the date of acquisition. Donated property and equipment are stated at fair market value at the date of donation. Depreciation of equipment and vehicles is computed by the straight-line method over the estimated useful lives of the assets, ranging from 5 to 7 years. Maintenance and repairs are charged to expense as incurred. Major renovations and improvements are capitalized. Depreciation totaled \$1,000 for the years ended December 31, 2021 and 2020.

**Active Social Communities, Inc.
D/B/A Volo City Kids Foundation**

Notes to Financial Statements

Note 2—Summary of Significant Accounting Policies (continued)

Grants receivable and revenue recognition: The Organization records revenue from all significant grants and contracts as costs are incurred to give recognition to the performance requirements of the various agreements. Grants receivable consists of amounts which have been incurred but not reimbursed by the respective grantor.

Contributions and pledges receivable: Contributions received are recorded as increases to net assets without donor restrictions and net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions.

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. When a restriction expires, 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.

Pledges receivable includes unconditional promises which are recognized at their fair values. Contributions that are to be collected more than one year into the future are recorded at their discounted present value. As of December 31, 2021, and 2020, pledges receivable consists of various unconditional promises to give and are expected to be collected within one year.

Contributions of assets other than cash are recorded at their estimated fair market value at the time of donation.

Functional expenses: The costs of providing program and other activities have been summarized on a functional basis in the statements of activities and changes in net assets. The statement contains certain categories of expense that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, occupancy and office, as well as salaries and benefits, and are primarily allocated based on time and effort reports.

Advertising: The costs of advertising for the Organization are expensed as incurred. Total advertising related costs amounted to \$17,425 and \$351 for the years ended December 31, 2021 and 2020, respectively.

Financial credit risk: Financial instruments which potentially subject the Organization to concentrations of credit risk consist primarily of cash. The Organization places its cash with credit worthy institutions and diversifies its holdings among financial institutions, thereby limiting the amount of credit exposure to any one financial institution. At times the Organization has cash deposits in excess of federally insured limits being held by federally insured financial depository institutions.

New accounting pronouncements: In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases*. ASU 2016-02 requires entities to recognize all lease assets as assets on the statement of financial position with a corresponding liability resulting in a gross up of the statement of financial position. Entities will also be required to present additional disclosure regarding the nature and extent of leasing activities. ASU 2016-02 is effective for non-public entities for annual reporting periods beginning after December 15, 2021. The requirements of this statement are effective for the Organization for the year ending December 31, 2022. The Organization is currently evaluating the impact of this statement.

**Active Social Communities, Inc.
D/B/A Volo City Kids Foundation**

Notes to Financial Statements

Note 2—Summary of Significant Accounting Policies (continued)

In June 2016, FASB issued ASU 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement for Credit Losses on Financial Instruments*, which requires entities to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. ASU 2016-13 also requires additional disclosures regarding significant estimates and judgments used in estimating credit losses, as well as the credit quality and underwriting standards of an entity's portfolio. The requirements of this statement are effective for the Organization for the year ended December 31, 2023. The Organization is currently evaluating the impact of this statement.

Note 3—Liquidity and Availability of Resources

The following represents Organization's financial assets as of December 31:

	2021	2020
Financial assets available within one year:		
Cash	\$ 318,448	\$ 130,200
Pledges receivable	2,500	46,991
Grants receivable	14,969	-
Financial assets available to management for general expenditures within one year	<u>\$ 335,917</u>	<u>\$ 177,191</u>

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

Note 4—Related Party

Volo, Inc. is a for profit, affiliated with the Organization. Volo, Inc. contributed \$10,000 to the Organization during the year ended December 31, 2021 which is included in the accompanying statements of activities and changes in net assets within contributions.

Additionally, Volo, Inc. provided \$187,037 in contributed services to the Organization during the year ended December 31, 2021, which is included in the accompanying statement of activities and changes in net assets as an equity transfer.

Note 5—Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through February 13, 2024, the date the financial statements were available to be issued.