

**PARTNERSHIP FOR YOUTH, INC.
DBA: AMERICORPS ST. LOUIS**

FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

**PARTNERSHIP FOR YOUTH, INC.
DBA: AMERICORPS ST. LOUIS
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YEAR ENDED SEPTEMBER 30, 2020**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Partnership for Youth, Inc.
dba: Americorps St. Louis
St. Louis, Missouri

We have audited the accompanying financial statements of Partnership for Youth, Inc. dba: Americorps St. Louis (the Organization), a nonprofit corporation, which comprise of the statement of financial position as of September 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement 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 statement 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 audit. We conducted our audit 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 auditor considers 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.

Board of Directors
Partnership for Youth, Inc.
dba: Americorps St. Louis

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Partnership for Youth, Inc. dba: Americorps St. Louis as of September 30, 2020, 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

St. Louis, Missouri
February 19, 2021

PARTNERSHIP FOR YOUTH, INC. DBA: AMERICORPS ST. LOUIS
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2020

ASSETS

CURRENT ASSETS

Cash	\$ 408,889
Accounts Receivable	90,299
Prepaid Expenses and Other Assets	21,082
Total Current Assets	520,270

PROPERTY AND EQUIPMENT, NET

215,906

Total Assets

\$ 736,176

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Current Maturities of Note Payable	\$ 6,668
Current Maturities of Capital Lease Obligations	3,255
Accounts Payable	5,439
PPP Loan	159,486
Total Current Liabilities	174,848

LONG-TERM LIABILITIES

Note Payable (Less Current Maturities)	175,138
Total Long-Term Liabilities	175,138

Total Liabilities

349,986

NET ASSETS

Net Assets Without Donor Restriction	386,190
Total Net Assets	386,190

Total Liabilities and Net Assets

\$ 736,176

See accompanying Notes to Financial Statements.

PARTNERSHIP FOR YOUTH, INC. DBA: AMERICORPS ST. LOUIS
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2020

	Without Donor Restriction	With Donor Restriction	Total
PUBLIC SUPPORT AND REVENUE			
Program Services	\$ 582,928	\$ -	\$ 582,928
Grants	562,191	-	562,191
Donations	29,070	-	29,070
Other Income	165	-	165
Loss on disposal of fixed assets	(13,477)	-	(13,477)
Net Assets Released of Restrictions	7,692	(7,692)	-
Total Revenues, Gains, and Other Support	1,168,569	(7,692)	1,160,877
EXPENSES			
Program Services:			
Safety Service Corps	1,056,485	-	1,056,485
Community Partnerships	24,719	-	24,719
Special Projects	10,607	-	10,607
Total Program Services	1,091,811	-	1,091,811
Management and General	316,853	-	316,853
Fundraising	206	-	206
Total Expenses	1,408,870	-	1,408,870
CHANGE IN NET ASSETS	(240,301)	(7,692)	(247,993)
Net Assets - Beginning of Year	626,491	7,692	634,183
NET ASSETS - END OF YEAR	\$ 386,190	\$ -	\$ 386,190

See accompanying Notes to Financial Statements.

PARTNERSHIP FOR YOUTH, INC. DBA: AMERICORPS ST. LOUIS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2020

	Program Services				Supporting Services		Total Expenses
	Community Partnerships	Safety Service Corps	Special Programs	Total	Management and General	Fundraising	
Accounting and Professional Fees	\$ -	\$ -	\$ -	\$ -	\$ 15,863	\$ -	\$ 15,863
Advertising Fees	-	2,278	-	2,278	544	-	2,822
Equipment Rental and Maintenance	-	73,280	-	73,280	134	-	73,414
Utilities	-	-	-	-	27,226	-	27,226
Insurance	1,640	68,867	-	70,507	50,297	-	120,804
Interest	-	-	-	-	8,542	-	8,542
Miscellaneous	169	46,172	-	46,341	6,099	206	52,646
Member Living Allowance	-	618,822	-	618,822	-	-	618,822
Payroll Taxes	1,891	59,132	-	61,023	5,140	-	66,163
Postage and Shipping	-	200	-	200	321	-	521
Employee Benefits	557	5,822	-	6,379	139,187	-	145,566
Salaries and Wages	17,298	133,883	-	151,181	34,315	-	185,496
Subscriptions and Copying Services	-	-	-	-	1,560	-	1,560
Supplies	3,144	21,278	10,607	35,029	1,730	-	36,759
Telephone and Internet	-	3,630	-	3,630	4,871	-	8,501
Training and Education	-	519	-	519	233	-	752
Travel	20	22,602	-	22,622	166	-	22,788
Total Expenses Before Depreciation	24,719	1,056,485	10,607	1,091,811	296,228	206	1,388,245
Depreciation	-	-	-	-	20,625	-	20,625
Total Functional Expenses	\$ 24,719	\$ 1,056,485	\$ 10,607	\$ 1,091,811	\$ 316,853	\$ 206	\$ 1,408,870

See accompanying Notes to Financial Statements.

PARTNERSHIP FOR YOUTH, INC. DBA: AMERICORPS ST. LOUIS
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ (247,993)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	20,625
Loss on Sale/Disposal of Fixed Assets	13,477
	13,477
(Increase) Decrease in Assets:	
Accounts Receivable	197,391
Prepaid Expenses and Other Assets	82,714
Increase (Decrease) in Liabilities:	
Accounts Payable	(6,918)
Net Cash Provided by Operating Activities	59,296

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from Sale of Fixed Asset	3,711
Purchases of Fixed Assets	(54,035)
Net Cash Used by Investing Activities	(50,324)

CASH FLOWS FROM FINANCING ACTIVITIES

Payments on Long-Term Debt	(9,999)
Proceeds from PPP Loan	159,486
Net Cash Provided by Financing Activities	149,487

NET INCREASE IN CASH

158,459

Cash - Beginning of Year

250,430

CASH - END OF YEAR

\$ 408,889

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash Paid for Interest	\$ 8,542
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See accompanying Notes to Financial Statements.

PARTNERSHIP FOR YOUTH, INC. DBA: AMERICORPS ST. LOUIS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Partnership for Youth, Inc. dba: Americorps St. Louis (the Organization), a Missouri nonprofit corporation, operates for the purpose of providing public safety and emergency response services nationwide through a national service program known as Americorps St. Louis Partners. The Organization's support comes primarily from grants and contracts with various governmental entities. Other support is provided by contributions from individuals, foundations, and corporations.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of 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 and those differences could be material.

Accounts Receivables

Accounts receivable includes amounts due from various granting agencies for work performed by the Organization under grant agreements and contracts and are stated as unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on receivables using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of agencies and donors to meet their obligations. The Organization's policy to charge off uncollectible receivable accounts when management determines the receivable will not be collected.

At September 30, 2020, management expects all accounts receivable to be fully collected during the next year; therefore, no allowance for uncollectible accounts is considered necessary.

Property and Equipment

The Organization capitalizes property and equipment additions over \$5,000. Purchased property and equipment is capitalized at cost. Donated property and equipment is capitalized at estimated fair value. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 5 to 40 years, or in the case of capitalized leased assets or leasehold improvements, the shorter of lease term or the useful life.

PARTNERSHIP FOR YOUTH, INC. DBA: AMERICORPS ST. LOUIS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restriction – Net assets available for use in general operations. Board designated net assets without donor restriction consist of net assets designated by the board of directors for operating reserve and board-designated endowment.

Net Assets With Donor Restriction – Net assets subject to donor restrictions that may or will be met by expenditures or our actions and/or the passage of time.

Contributions restricted by donors are reported as increases in net assets without donor restriction 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. All other donor-restricted contributions are reported as increases in net assets with donor restriction, depending on the nature of the restrictions. When a restriction expires, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

Net assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by our actions. The restrictions stipulate that resources be maintained in perpetuity but permit us to expend the income generated in accordance with the provisions of the agreements. There were no net assets with donor restriction on perpetuity at September 30, 2020.

Revenue and Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return are not recognized until the conditions on which they depend have been met.

Donated Services and In-Kind Contributions

The Organization records the value of donated services when there is an objective basis available to measure the donation's value. In addition, many individuals volunteer time and skills to perform program services, administration, and fundraising, and development activities that assist the Organization, but these services do not meet the criteria for recognition as donated services. No donated services were recorded during the year ended September 30, 2020.

PARTNERSHIP FOR YOUTH, INC. DBA: AMERICORPS ST. LOUIS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Functional expenses are on the direct allocation method. The Director of Operations reviews invoices and prepares invoice/expense processing forms for the review, authorization and expense code allocation for the Executive Director. The Director of Operations utilizes approved payment forms to write vendor checks and enters expense coding into the accounting system.

Income Taxes

The Organization is tax-exempt under Section 501(c)(3) of the Internal Revenue Code and, therefore, is exempt from both federal and state income taxes. Accordingly, no provision has been made for income taxes in the accompanying financial statements.

The Organization believes it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Change in Accounting Principle

In May 2014, FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Subsequent to May 2014, the FASB has issued six ASUs to clarify certain matters related to Topic 606. Topic 606 requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The updates address the complexity and understandability of revenue recognition and provide sufficient information to enable financial statements users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

In June 2018, FASB issued Accounting Standards (ASU) 2018-08, *Accounting Guidance for Contributions Received and Made*. This ASU was issued to clarify accounting guidance for contributions received and contributions made. The amendments to this ASU assists entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of *Topic 958, Not-for-Profit Entities*, or as an exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional.

Our financial statements reflect the application of ASC 606 guidance beginning in the year ending September 30, 2020, as it was early adopted. No cumulative-effect adjustment in net assets was recorded as the adoption of ASU 2014-09 and ASU 2018-08 did not significantly impact the Organization's reported historical revenue.

Subsequent Events

We have evaluated subsequent events through February 19, 2021, the date the financial statements were available to be issued.

PARTNERSHIP FOR YOUTH, INC. DBA: AMERICORPS ST. LOUIS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 2 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at September 30, 2020:

Building and Improvements	\$ 299,560
Equipment	31,580
Furniture and Fixtures	9,882
Vehicles	116,354
Total	<u>457,376</u>
Less: Accumulated Depreciation and Amortization	241,470
Total Property and Equipment	<u><u>\$ 215,906</u></u>

Depreciation expense totaled \$20,625 for the year ended September 30, 2020.

NOTE 3 LEASED PROPERTY UNDER CAPITAL LEASES

The Organization leases equipment under a capital lease. The asset and liability under the capital lease is recorded at the lower of the present value of the minimum lease payments or the fair value of the asset. The asset is amortized over its estimated productive life.

The following is a summary of property held under capital lease as of September 30, 2020:

Equipment	\$ 15,867
Less: Accumulated Depreciation	<u>(13,751)</u>
Total	<u><u>\$ 2,116</u></u>

At September 30, 2020, future minimum capital lease payments are:

<u>Year Ending September 30,</u>	<u>Amount</u>
2021	\$ 3,255

Present Value of Net Minimum Capital Lease Payments	3,255
Less: Current Maturities of Obligations Under Capital Leases	<u>(3,255)</u>
Obligations Under Capital Leases, Less: Current Maturities	<u><u>\$ -</u></u>

PARTNERSHIP FOR YOUTH, INC. DBA: AMERICORPS ST. LOUIS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 4 NOTES PAYABLE

The Organization has a note payable which is secured by a deed of trust on the Organization's property. This note requires monthly payments of \$1,288 including interest at 4.95%, and a balloon payment due upon maturity December 10, 2023.

<u>Year Ending September 30,</u>	<u>Amount</u>
2021	\$ 6,668
2022	7,008
2023	7,315
2024	160,815
Total Maturities	<u>\$ 181,806</u>

On May 2, 2020, the Organization received a loan from Bank of America in the amount of \$159,486 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the PPP Loan). The original loan agreement was written prior to the PPP Flexibility Act of 2020 (June 5) and was due over twenty-four months deferred for six months. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Flexibility Act and subsequent regulations supersede the loan agreement. The PPP Loan bears interest at a fixed rate of 1.0% per annum, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if the Organization fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program.

NOTE 5 EMPLOYEE BENEFITS

The Organization maintains a defined contribution pension plan covering substantially all employees who meet certain eligibility requirements. Employer plan expenses totaled \$7,564 for the year ended September 30, 2020.

NOTE 6 CONCENTRATION OF REVENUES

The Organization contracts with the Missouri Community Service Commission (MCSC) to provide public safety and emergency response services. The Organization is reimbursed by MCSC for eligible expenditures. MCSC funding is provided by the Organization for National and Community Service (CNCS), through AmeriCorps national service grants. Support from these contracts amounted to \$548,084 for the year ended September 30, 2020, which accounted for approximately 47% of total support and revenue.

PARTNERSHIP FOR YOUTH, INC. DBA: AMERICORPS ST. LOUIS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7 LIQUIDITY AND AVAILABILITY

Financial assets available for expenses within one year of the statement of financial position date comprise the following at September 30, 2020:

Cash	\$ 408,889
Accounts Receivable	90,299
Total	<u>499,188</u>
Total Current Assets Available for Expenses Within One Year	<u>\$ 499,188</u>

The Executive director and director of operations manage receivables and cash as they monitor cash flows on a monthly basis.

NOTE 8 RISKD AND UNCERTAINTIES

In March of 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States. COVID-19 has caused a severe negative impact on the world economy and has contributed to significant declines and volatility in financial markets. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the organization for future periods. Management is carefully monitoring the situation and evaluating its options as circumstances evolve.