



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

Financial Statements

December 31, 2023

**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](http://www.muacllp.com)

## Contents

---

Independent Auditor's Report .....	1 - 2
Financial Statements	
Statement of Financial Position .....	3
Statement of Activities and Changes in Net Assets .....	4
Statement of Functional Expenses .....	5
Statement of Cash Flows .....	6
Notes to Financial Statements .....	7 - 10

- 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

### **Opinion**

We have audited the accompanying financial statements of Active Social Communities, Inc. D/B/A Volo City Kids Foundation (the Organization) which comprise the statement of financial position as of December 31, 2023 and the related statements of activities and changes in net assets, 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 the Organization as of December 31, 2023, and the changes in its net assets, functional expenses, 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 Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **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 the Organization's 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 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 the Organization's internal control. Accordingly, no such opinion is expressed.
- 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 the Organization's 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.

*Meadow Urgent Cree + Cook, LLP*

Henrico, Virginia  
July 17, 2024

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

Statement of Financial Position  
December 31, 2023

---

<b>Assets</b>	
Current assets	
Cash	\$ 596,470
Cash, restricted	229,015
Grants receivable	40,806
Other assets	<u>2,829</u>
<b>Total current assets</b>	869,120
Property and equipment, net	<u>5,702</u>
<b>Total assets</b>	<u><u>\$ 874,822</u></u>
<b>Liabilities and Net Assets</b>	
Current liabilities	
Accounts payable	\$ 65,000
Accrued expenses	7,069
Deferred revenue	<u>229,015</u>
<b>Total current liabilities</b>	<u>301,084</u>
<b>Total liabilities</b>	301,084
Net assets without donor restrictions	536,898
Net assets with donor restrictions	<u>36,840</u>
<b>Total net assets</b>	<u>573,738</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 874,822</u></u>

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

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

Statement of Activities and Changes in Net Assets  
Year Ended December 31, 2023

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Support			
Contributions	\$ 569,543	\$ 267,236	\$ 836,779
<b>Total support</b>	569,543	267,236	836,779
Revenue			
Program income	201,659	-	201,659
Gain on sale of asset	2,000	-	2,000
Other revenue	195,347	-	195,347
<b>Total revenue</b>	399,006	-	399,006
Net assets released from restrictions	255,906	(255,906)	-
<b>Total support and revenue</b>	1,224,455	11,330	1,235,785
Expenses			
Program services	1,406,269	-	1,406,269
Management and general	148,504	-	148,504
Fundraising	176,237	-	176,237
<b>Total expenses</b>	1,731,010	-	1,731,010
Equity transfer			
Contributed services from affiliate	413,153	-	413,153
<b>Change in net assets</b>	(93,402)	11,330	(82,072)
Net assets, beginning of year	630,300	25,510	655,810
Net assets, end of year	\$ 536,898	\$ 36,840	\$ 573,738

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

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

**Statement of Functional Expenses  
Year Ended December 31, 2023**

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Compensation expense	\$ 908,379	\$ 74,118	\$ 147,057	\$ 1,129,554
League expense	144,139	-	-	144,139
Other employee benefits	85,462	573	306	86,341
Payroll taxes	68,616	10,621	-	79,237
Professional fees	60,181	2,202	-	62,383
Background checks	44,595	1,791	-	46,386
Advertising and promotion	29,414	1,311	14,769	45,494
Occupancy	35,259	-	-	35,259
Insurance	-	35,161	-	35,161
Travel	22,478	1,174	5,390	29,042
Office expense	7,028	14,331	459	21,818
Taxes and licenses	-	6,664	8,256	14,920
Depreciation	-	558	-	558
Information technology	379	-	-	379
Event expense	339	-	-	339
Total expenses	<u>\$ 1,406,269</u>	<u>\$ 148,504</u>	<u>\$ 176,237</u>	<u>\$ 1,731,010</u>

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

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

**Statement of Cash Flows  
Year ended December 31, 2023**

---

Cash Flows From Operating Activities	
Change in net assets	\$ (82,072)
Adjustments to reconcile the change in net assets to net cash provided by operating activities:	
Depreciation	558
Gain on sale of asset	(2,000)
Increase in:	
Grants receivable	(20,687)
Other assets	(2,829)
Increase in:	
Accounts payable	44,744
Accrued expenses	6,629
Deferred revenue	229,015
<b>Net cash provided by operating activities</b>	<u>173,358</u>
Cash Flows From Investing Activities	
Purchase of fixed assets	(4,819)
Proceeds from sale of asset	2,000
<b>Net cash used in investing activities</b>	<u>(2,819)</u>
Net change in cash and restricted cash	170,539
Cash and restricted cash, beginning of year	654,946
Cash and restricted cash, end of year	<u>\$ 825,485</u>

See Accompanying Notes to Financial Statements and Independent Auditor's 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.

Cash and restricted cash: The Organization considers grant funding received with donor-imposed restrictions prior to the grant period to be deferred revenue until earned and the deposited cash to be restricted until such time as the revenue is earned.

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, 2023.

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

**Notes to Financial Statements**

---

**Note 2—Summary of Significant Accounting Policies (continued)**

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 \$558 for the year ended December 31, 2023.

Grants receivable, revenue recognition and deferred revenue: 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.

The Organization records deferred revenue in situations when funds are received but the revenue recognition criteria outlined above are not yet met.

Contributions: 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.

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 statement of activities. 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 \$45,494 for the year ended December 31, 2023.

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.

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

**Notes to Financial Statements**

---

**Note 3—Liquidity and Availability of Resources**

The following represents Organization's financial assets as of December 31, 2023:

Financial assets available within one year:

Cash	\$ 596,470
Grants receivable	40,806
	<hr/>
Total financial assets	637,276
Less those unavailable for general expenditures within one year, due to:	
San Diego league	36,183
Denver area league	657
	<hr/>
Financial assets available to management for general expenditures within one year	<u>\$ 600,436</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. provided \$413,153 in contributed services to the Organization during the year ended December 31, 2023, which is included in the accompanying statement of activities and changes in net assets as an equity transfer.

**Note 5—Net Assets with Donor Restrictions**

Net assets with donor restrictions are comprised of the following as December 31, 2023:

San Diego league	\$ 36,183
Denver area league	657
	<hr/>
	<u>\$ 36,840</u>

**Note 6—Employee Retention Credit**

Under the provisions of the CARES Act signed into law on March 27, 2020 and the subsequent extension of the CARES Act, the Organization was eligible for refundable employee retention credits subject to certain criteria. While the credits apply to previous years, the Organization decided to apply for the credits in 2023 and thus has recognized \$195,347 in employee retention credits for the year ended December 31, 2023 which is included in other income in the accompanying statement of activities and changes in net assets.

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

**Notes to Financial Statements**

---

**Note 7—Subsequent Events**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through July 17, 2024, the date the financial statements were available to be issued.