

Year One, Inc. dba Mile High Youth Corps

**Financial Statements
and Single Audit Reports**

**December 31, 2021
(With Comparative Totals for December 31, 2020)**

(With Independent Auditor's Report Thereon)

Year One, Inc. dba Mile High Youth Corps
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Independent Auditor's Report

**Board of Directors
Year One, Inc. dba Mile High Youth Corps**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Year One, Inc. dba Mile High Youth Corps which comprise the statement of financial position as of December 31, 2021, and 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 present fairly, in all material respects, the financial position of Year One, Inc. dba Mile High Youth Corps as of December 31, 2021, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Year One, Inc. dba Mile High Youth Corps 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.

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 Year One, Inc. dba Mile High Youth Corps' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Board of Directors
Year One, Inc. dba Mile High Youth Corps

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 and *Government 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 and *Government 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 Year One, Inc. dba Mile High Youth Corps' 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 Year One, Inc. dba Mile High Youth Corps' 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Board of Directors
Year One, Inc. dba Mile High Youth Corps

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2022 on our consideration of Year One, Inc. dba Mile High Youth Corps' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Year One, Inc. dba Mile High Youth Corps' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Year One, Inc. dba Mile High Youth Corps' internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited Year One, Inc. dba Mile High Youth Corps' 2020 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated April 22, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Kundinger, Corder & Montoya, P.C.

June 23, 2022

Year One, Inc. dba Mile High Youth Corps
Statement of Financial Position
December 31, 2021
(With Summarized Information for December 31, 2020)

	<u>2021</u>	<u>2020</u>
Assets		
Cash and cash equivalents	\$ 1,160,745	1,298,696
Accounts receivable	166,527	143,923
Government grants receivable	146,440	103,418
Contributions and grants receivable	342,505	4,092
Prepaid expenses and other assets	44,807	48,193
Property and equipment, net (note 3)	<u>1,411,310</u>	<u>1,412,121</u>
Total assets	<u>\$ 3,272,334</u>	<u>3,010,443</u>
Liabilities and Net Assets		
Accounts payable and other liabilities	\$ 110,969	51,073
Accrued payroll expenses	150,331	131,394
Refundable advances	15,395	24,339
Deferred revenue	6,571	66,071
Capital lease obligation (note 4)	35,327	52,415
Notes payable (note 5)	<u>76,742</u>	<u>97,041</u>
Total liabilities	<u>395,335</u>	<u>422,333</u>
Net assets		
Net assets without donor restrictions		
Property and equipment, net of related debt	1,299,241	1,262,665
Undesignated	<u>1,214,792</u>	<u>861,380</u>
Total net assets without donor restrictions	2,514,033	2,124,045
Net assets with donor restrictions (note 7)	<u>362,966</u>	<u>464,065</u>
Total net assets	2,876,999	2,588,110
Commitments and contingency (notes 3, 6, 8, 9 and 10)		
Total liabilities and net assets	<u>\$ 3,272,334</u>	<u>3,010,443</u>

See the accompanying notes to the financial statements.

Year One, Inc. dba Mile High Youth Corps
Statement of Activities
Year Ended December 31, 2021
(With Summarized Information for 2020)

	Without donor restrictions	With donor restrictions	Total 2021	Total 2020
Revenue and support				
Contributions and grants	\$ 477,209	325,000	802,209	896,019
Government grant revenue	1,419,236	–	1,419,236	871,403
Forgiveness of Paycheck Protection Program loan (note 10)	604,800	–	604,800	651,000
In-kind contributions (note 1(g))	27,385	–	27,385	48,917
Contract revenue	2,534,357	–	2,534,357	1,567,199
Other revenue	48,557	–	48,557	77,529
Net assets released from restrictions (note 7)	426,099	(426,099)	–	–
Total revenue and support	<u>5,537,643</u>	<u>(101,099)</u>	<u>5,436,544</u>	<u>4,112,067</u>
Expenses				
Program services				
Youth education and training	4,443,300	–	4,443,300	3,005,807
Supporting services				
Management and general	320,684	–	320,684	394,380
Fund raising	298,041	–	298,041	278,533
Total supporting services	<u>618,725</u>	<u>–</u>	<u>618,725</u>	<u>672,913</u>
Total expenses before depreciation	<u>5,062,025</u>	<u>–</u>	<u>5,062,025</u>	<u>3,678,720</u>
Change in net assets before depreciation	475,618	(101,099)	374,519	433,347
Depreciation expense	85,630	–	85,630	71,962
Change in net assets	389,988	(101,099)	288,889	361,385
Net assets at beginning of year	<u>2,124,045</u>	<u>464,065</u>	<u>2,588,110</u>	<u>2,226,725</u>
Net assets at end of year	<u>\$ 2,514,033</u>	<u>362,966</u>	<u>2,876,999</u>	<u>2,588,110</u>

See the accompanying notes to the financial statements.

Year One, Inc. dba Mile High Youth Corps
Statement of Functional Expenses
Year Ended December 31, 2021
(With Summarized Information for 2020)

	Program services	Supporting services		Total 2021	Total 2020
		Management and general	Fund raising		
Salaries-staff	\$ 1,061,353	166,928	164,757	1,393,038	1,328,643
Benefits and payroll taxes-staff	237,038	31,105	30,634	298,777	269,828
Salaries-Corpsmembers	1,692,633	–	–	1,692,633	993,159
Benefits and payroll taxes- Corpsmembers	250,847	–	–	250,847	156,013
Building rent and operations	177,560	49,693	32,691	259,944	176,166
Vehicle expenses	263,294	384	242	263,920	131,260
Other program supplies	229,620	3,108	3,062	235,790	127,694
Professional fees	92,121	28,271	18,895	139,287	110,316
Insurance	55,174	16,932	10,662	82,768	73,291
Installation materials	172,104	–	–	172,104	59,698
Technology support	35,947	10,973	7,007	53,927	47,070
Uniforms and protective gear	42,494	842	531	43,867	38,023
Training and development	36,376	488	338	37,202	35,417
Marketing and outreach	9,808	1,079	18,434	29,321	26,902
Travel	7,793	1,607	1,162	10,562	23,798
Memberships and dues	16,836	3,932	3,079	23,847	18,919
Payroll processing	12,060	3,697	2,328	18,085	15,446
Background checks	16,943	–	205	17,148	13,472
Interest and fees	5,120	1,572	991	7,683	11,006
Recruitment	19,810	64	266	20,140	8,758
Bus passes	8,289	–	–	8,289	8,034
Special events expense	80	9	2,757	2,846	5,807
	<u>4,443,300</u>	<u>320,684</u>	<u>298,041</u>	<u>5,062,025</u>	<u>3,678,720</u>
Depreciation	<u>57,082</u>	<u>17,517</u>	<u>11,031</u>	<u>85,630</u>	<u>71,962</u>
Total expenses	<u>\$ 4,500,382</u>	<u>338,201</u>	<u>309,072</u>	<u>5,147,655</u>	<u>3,750,682</u>

See the accompanying notes to the financial statements.

Year One, Inc. dba Mile High Youth Corps
Statement of Cash Flows
Year Ended December 31, 2021
(With Summarized Information for 2020)

	2021	2020
Cash flows from operating activities		
Change in net assets	\$ 288,889	361,385
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	85,630	71,962
Forgiveness of note payable from the City and County of Denver	-	(42,711)
Change in operating assets and liabilities		
Receivables	(404,039)	140,164
Prepaid expenses and other assets	3,386	6,668
Accounts payable and other liabilities	59,896	(15,187)
Accrued payroll expenses	18,937	24,747
Refundable advances	(8,944)	24,339
Deferred revenue	(59,500)	31,054
Net cash provided by (used in) operating activities	(15,745)	602,421
Cash flows from investing activities		
Purchases of property and equipment	(84,819)	(9,085)
Net cash used in investing activities	(84,819)	(9,085)
Cash flows from financing activities		
Payments on capital lease obligation	(17,088)	(17,088)
Payments on notes payable	(20,299)	(19,030)
Net cash used in financing activities	(37,387)	(36,118)
Net increase (decrease) in cash and cash equivalents	(137,951)	557,218
Cash and cash equivalents at beginning of year	1,298,696	741,478
Cash and cash equivalents at end of year	\$ 1,160,745	1,298,696
Supplemental cash flow information		
Cash paid during the year for interest	\$ 5,842	6,471

See the accompanying notes to the financial statements.

Year One, Inc. dba Mile High Youth Corps

Notes to Financial Statements

December 31, 2021

(1) Summary of Significant Accounting Policies

(a) Organization

Year One, Inc. dba Mile High Youth Corps (the Organization) was founded under the laws of the State of Colorado in 1992. The Organization is a nonprofit corporation whose mission is to help youth make a difference in themselves and their community through meaningful service opportunities and educational experiences. The Organization serves 18-24 year-olds in one of four career pathways: land conservation, energy and water conservation, construction, and healthcare. By integrating paid work experience on community projects with career exploration, education, and life skills training, the Organization helps youth develop the skills they need to succeed in the classroom, the workforce, and everyday life. Through hands-on service, youth gain the knowledge, skills and motivation they need to make positive changes in their own lives, their community, and the environment. The Organization operates in 23 counties across the Southern Front Range and the Denver Metro area. The youth that the Organization serves are referred to as “Corpsmembers”. The Organization is supported primarily by contract revenue, contributions, and government grants.

(b) Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables, and other liabilities.

(c) Financial Statement Presentation

The Organization is required to present information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. At December 31, 2021, there are no net assets with perpetual donor restrictions.

(d) Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

(e) Concentrations of Credit Risk

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents, accounts receivable, government grants receivable, and contributions and grants receivable. The Organization places its cash and cash equivalents with creditworthy, high quality financial institutions. At times, a portion of these cash balances may not be insured by the Federal Deposit Insurance Corporation or related entity. Credit risk with respect to receivables is limited due to the credit worthiness of the entities and individuals that comprise the customer and contributor base.

Year One, Inc. dba Mile High Youth Corps

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(f) Property and Equipment

Property and equipment are recorded at cost, if purchased, or at fair value at the date of donation, if donated. The Organization capitalizes all property and equipment with a cost or fair value at the date of donation in excess of \$3,000 with a useful life of more than one year. Depreciation on property and equipment is calculated on the straight-line method over estimated useful lives of the assets ranging from three to thirty years. Normal repairs and maintenance are expensed as incurred.

(g) Revenue Recognition

Contributions and grants

Contributions and grants are recognized when cash, securities, or other assets, and 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 are substantially met. Should the Organization substantially meet all the conditions in the same period that the contribution is recognized, and barring any further donor-imposed restrictions, the Organization has elected to recognize the revenue in net assets without donor restrictions. Payments received in advance of conditions being met are recorded as refundable advances in the statement of financial position.

Contributions and grants received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. Contributions and grants that are restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restrictions. 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 statement of activities as net assets released from restrictions.

Contributions and grants receivable are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. The Organization uses the allowance method to determine uncollectible amounts. In determining the collectability of receivables, management considers past collection experience and performs an analysis of specific promises made. At December 31, 2021, there is no allowance for doubtful accounts related to these receivables.

Government grants are treated as contributions that are conditioned upon specific performance requirements and the incurrence of allowable qualifying expenses. Consequently, at December 31, 2021, conditional contributions relating to these grants, totaling \$290,577, of which \$15,395 has been received in advance, have not been recorded in the accompanying financial statements.

In-kind contributions

In-kind contributions are recorded as contributions and corresponding expenses in the accompanying statements at their estimated values at date of donation. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. In-kind contributions received for the year ended December 31, 2021 totaled \$27,385 and consisted of donated legal services.

Year One, Inc. dba Mile High Youth Corps

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(g) Revenue Recognition, Continued

In-kind contributions, continued

In-kind expenses are recorded under various categories in the statement of functional expenses, according to their classification. Many individuals volunteer their time and perform a variety of tasks that assist the Organization in its programs and general operations. However, the value of this contributed time is not reflected in the accompanying financial statements as it does not meet the criteria of recognition under accounting principles.

Contract revenue

A significant portion of the Organization's revenue is derived from contractual agreements under which Corpsmembers are to provide various services under the Organization's programs. Revenue under these contracts is deemed earned after the services have been performed. The contracts generally provide for a fixed fee to be paid for services provided, which is generally billed monthly. Cash received in advance of the services being provided is recorded as deferred revenue and totals \$6,571 at December 31, 2021.

Accounts receivable represent amounts due resulting from performance of these services. The allowance for doubtful accounts is based on past experience and on analysis of the collectability of current accounts receivable. At December 31, 2021, management believes all accounts receivable to be fully collectible and, therefore, no allowance for doubtful accounts has been recognized.

(h) Functional Expense Allocation

The costs of providing program and supporting services have been summarized on a functional basis in the accompanying statement of functional expenses. The Organization incurs expenses that directly relate to, and can be assigned to, a specific program or supporting activity. The Organization also conducts a number of activities which benefit both its program objectives as well as supporting services (i.e. fund raising and management and general activities). These costs, which are not specifically attributable to a specific program or supporting activity, are allocated by management on a consistent basis among program and supporting services benefited, based on either financial or nonfinancial data, such as headcount, square-footage, or estimates of time and effort incurred by personnel.

(i) Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(j) Income Taxes

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and qualifies for the charitable contribution deduction. However, income from activities not directly related to its tax-exempt purpose is subject to taxation as unrelated business taxable income. There were no unrelated business activities during 2021.

Year One, Inc. dba Mile High Youth Corps

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(j) Income Taxes, Continued

Management is required to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain tax position that more likely than not would not be sustained upon examination by taxing authorities. The Organization believes that it has appropriate support for any tax positions taken and that none would require recognition of a liability or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The three previous tax years remain subject to examination by the IRS.

(k) Subsequent Events

The Organization has evaluated subsequent events through June 23, 2022, the date the financial statements were available to be issued.

(l) Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

(m) Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation. These reclassifications had no effect on previously reported net assets or the change in net assets.

(2) Liquidity and Availability

The following represents the Organization's financial assets as of December 31, 2021:

Financial assets at year-end	
Cash and cash equivalents	\$ 1,160,745
Accounts receivable	166,527
Government grants receivable	146,440
Contributions and grants receivable	<u>342,505</u>
Total financial assets	1,816,217
Less net assets with donor restrictions	<u>(362,966)</u>
Financial assets available to meet expenditures within one year	\$ <u><u>1,453,251</u></u>

As part of the Organization's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The Organization's goal is generally to maintain financial assets to meet 60 days of operating expenses. At December 31, 2021, the liquid assets are adequate to cover approximately 105 days of operating expenses. To manage liquidity, the Organization has a line of credit available that is drawn upon to manage cash flows as needed (see note 6).

Year One, Inc. dba Mile High Youth Corps

Notes to Financial Statements, Continued

(3) Property and Equipment

Property and equipment consists of the following at December 31, 2021:

Land	\$ 437,950
Buildings and improvements	1,920,606
Computer and software	111,013
Furniture and equipment	240,097
Vehicles	<u>322,220</u>
	3,031,886
Less accumulated depreciation	<u>(1,620,576)</u>
Net property and equipment	\$ <u>1,411,310</u>

In 2012, the Organization purchased the East Montclair Community Center, located at 6740 East Colfax Avenue, in Denver, Colorado. As part of the purchase agreement with the City and County of Denver, the Organization is required to use the building as a community facility for 20 years and may not borrow against the building without prior approval from the City.

(4) Capital Lease Obligation

The Organization has acquired photocopiers under a capital lease expiring in August 2024. Total minimum rental commitments under this capital lease agreement are as follows for the years ending December 31:

2022	\$17,088
2023	17,088
2024	<u>11,392</u>
	45,568
Less amounts attributable to interest	<u>(10,241)</u>
Total capital lease obligation	\$ <u>35,327</u>

(5) Notes Payable

In 2010, the Organization obtained a construction loan from a bank for \$128,381. Proceeds from the loan were used to renovate the Organization's headquarters located at 1801 Federal Blvd., in Denver, Colorado. The loan bears interest at 4.15% and is payable in monthly installments of \$1,313. The loan expires in May 2025 and is collateralized by the property.

In 2020, the Organization obtained a loan from a bank, totaling \$37,000, to purchase a wood chipper to be used in its programs. The loan bears interest at 4.00% and is payable in monthly installments of \$683 through June 2025. The loan is collateralized by a security interest in the Organization's bank accounts.

As of December 31, 2021, future payments on the loans for years ending December 31st are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	21,158	2,789	23,947
2023	22,055	1,892	23,947
2024	22,985	962	23,947
2025	<u>10,544</u>	<u>116</u>	<u>10,660</u>
Totals	\$ <u>76,742</u>	<u>5,759</u>	<u>82,501</u>

Year One, Inc. dba Mile High Youth Corps

Notes to Financial Statements, Continued

(6) Line of Credit

The Organization has a \$600,000 line of credit with a bank that expires April 24, 2023. Interest is subject to change on the note and is based on the Wall Street Journal Prime Rate plus 1%. At December 31, 2021, no amounts were outstanding on the line of credit.

(7) Net Assets with Donor Restrictions

Net assets with donor restrictions is restricted to the following at December 31, 2021:

Future operations	\$ 325,000
Vehicle purchases	<u>37,966</u>
Total net assets with donor restrictions	\$ <u>362,966</u>

Net assets were released from donor restrictions as follows for the year ended December 31, 2021:

Empowering youth toward self-sufficiency	\$ 300,000
Salesforce implementation and technology audit	57,725
Vehicle purchases	<u>68,374</u>
Total net assets released from restrictions	\$ <u>426,099</u>

(8) Operating Leases

The Organization is obligated under various non-cancelable lease agreements to rent space and vehicles for use in its programs. The Organization leases office and storage space at a location in Denver under an agreement which expires July 2022. The Organization also leases office space in Colorado Springs under an agreement which expires April 2025. Additionally, the Organization is obligated under various non-cancelable leases for vehicles, which vary in length and terms. However, all obligations under these vehicle leases currently expire by November 2022. Total minimum rental commitments under these operating lease agreements are as follows for the years ending December 31:

	Office Space- <u>Colorado Springs</u>	Office Space- <u>Denver</u>	<u>Vehicles</u>	<u>Total</u>
2022	29,592	16,162	31,082	76,836
2023	30,472	—	—	30,472
2024	31,392	—	—	31,392
2025	<u>10,568</u>	<u>—</u>	<u>—</u>	<u>10,568</u>
Total	\$ <u>102,024</u>	<u>16,162</u>	<u>31,082</u>	<u>149,268</u>

Rent and vehicle lease expenses totaled \$54,999 and \$150,379, respectively for the year ended December 31, 2021, and are included with building rent and operations and vehicles expenses, respectively, on the statement of functional expenses.

(9) Retirement Plan

The Organization has established a 403(b) retirement plan (the Plan) which covers substantially all employees. Eligible employees may begin to participate in the Plan with elective deferral contributions on the date of hire. Participants are eligible to contribute an amount not to exceed limits set by the Internal Revenue Service. Under the Plan, the Organization can make a discretionary matching contribution each payroll period for all eligible employees. During the year ended December 31, 2021, employer contributions to the plan totaled \$25,983.

Year One, Inc. dba Mile High Youth Corps

Notes to Financial Statements, Continued

(10) Forgiveness of Paycheck Protection Program Loan

During the year ended December 31, 2021, the Organization received a \$604,800 loan under the U.S. Small Business Administration's (SBA) Paycheck Protection Program (PPP) authorized under the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act). The loan was treated as a refundable advance of a conditional contribution until such time that the loan was explicitly forgiven by the SBA. The loan was fully forgiven during the year ended December 31, 2021 and, therefore, \$604,800 was recognized as contribution revenue.

Year One, Inc. dba Mile High Youth Corps
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2021

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Pass-through Entity Identifying Number	Assistance Listing Number	Federal Expenditures
<i>Corporation for National and Community Service</i>			
Passed through Colorado Youth Corps Association			
Americorps	19ESHCO0010001	94.006	\$ 667,500
Passed through YouthBuild AmeriCorps			
Americorps	19NDHMA0030017	94.006	126,835
Passed through The Corps Network			
Americorps	18NDHDC0020007	94.006	36,243
Total Americorps		Total 94.006	<u>830,578</u>
<i>Total Corporation for National and Community Service</i>			<u>830,578</u>
<i>U.S. Department of Labor</i>			
Passed through City and County of Denver DYEP			
WIOA Youth Activities	AA-30734-17-55-A-8	17.259	<u>35,448</u>
<i>Total U.S. Department of Labor</i>			<u>35,448</u>
<i>U.S. Department of the Interior</i>			
Direct grant			
Youth and Veteran Organizations Conservation Activities	N/A	15.931	43,200
Direct grant, National Park Service			
Youth and Veteran Organizations Conservation Activities	N/A	15.931	22,758
Total Youth and Veteran Organizations Conservation Activities		Total 15.931	<u>65,958</u>
Direct grant, U.S. Fish and Wildlife			
Youth Engagement, Education, and Employment	N/A	15.676	56,000
Passed through Colorado Youth Corps Association			
Youth Conservation Opportunities on Public Lands			
Recreation and Visitor Services	L16AC00328	15.243	<u>40,201</u>
<i>Total U.S. Department of the Interior</i>			<u>162,159</u>
<i>U.S. Department of Agriculture</i>			
Passed through Colorado Youth Corps Association			
Partnership Agreements	20-PA-11020000-045	10.699	12,500
Passed through National Forest Foundation			
National Forest Foundation	RM-203	10.682	<u>55,000</u>
<i>Total U.S. Department of Agriculture</i>			<u>67,500</u>
Total Expenditures of Federal Awards			<u>\$ 1,095,685</u>

Year One, Inc. dba Mile High Youth Corps
Schedule of Expenditures of Federal Awards, Continued
Year Ended December 31, 2021

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Year One, Inc. dba Mile High Youth Corps (the Organization) under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Grant Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3: Indirect Cost Rate

The Organization has elected to not use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4: Subrecipient Awards

There were no awards passed through by the Organization to subrecipients.



Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

**Board of Directors
Year One, Inc. dba Mile High Youth Corps**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Year One, Inc. dba Mile High Youth Corps, which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 23, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Year One, Inc. dba Mile High Youth Corps' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Year One, Inc. dba Mile High Youth Corps' internal control. Accordingly, we do not express an opinion on the effectiveness of Year One, Inc. dba Mile High Youth Corps' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Year One, Inc. dba Mile High Youth Corps' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Board of Directors
Year One, Inc. dba Mile High Youth Corps**

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kundinger, Corder & Montoya, P.C.

June 23, 2022



**Independent Auditor's Report on Compliance for Each Major Program and on Internal Control
Over Compliance Required by the Uniform Guidance**

**Board of Directors
Year One, Inc. dba Mile High Youth Corps**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Year One, Inc. dba Mile High Youth Corps' compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Year One, Inc. dba Mile High Youth Corps' major federal programs for the year ended December 31, 2021. Year One, Inc. dba Mile High Youth Corps' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Year One, Inc. dba Mile High Youth Corps complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Year One, Inc. dba Mile High Youth Corps and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Year One, Inc. dba Mile High Youth Corps' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Year One, Inc. dba Mile High Youth Corps' federal programs.

Board of Directors
Year One, Inc. dba Mile High Youth Corps

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Year One, Inc. dba Mile High Youth Corps' compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Year One, Inc. dba Mile High Youth Corps' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Year One, Inc. dba Mile High Youth Corps' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Year One, Inc. dba Mile High Youth Corps' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Year One, Inc. dba Mile High Youth Corps internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Board of Directors
Year One, Inc. dba Mile High Youth Corps

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Kundinger, Corder & Montoya, P.C.

June 23, 2022

Year One, Inc. dba Mile High Youth Corps
Schedule of Findings and Questioned Costs
Year Ended December 31, 2021

A. Summary of Auditor’s Results

1. The auditor’s report expresses an unmodified opinion on whether the financial statements of Year One, Inc. dba Mile High Youth Corps (the Organization) were prepared in accordance with GAAP.
2. No significant deficiencies relating to the audit of the financial statements are reported in the *Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the Organization, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs are reported in the *Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance*.
5. The auditor’s report on compliance for the major federal award programs expresses an unmodified opinion on all major federal programs.
6. The audit disclosed no audit findings relating to major programs that are required to be reported in accordance with 2 CFR section 200.516(a).
7. The program tested as a major program was AmeriCorps (Assistance Listing No. 94.006).
8. The threshold for distinguishing between Type A and B programs was \$750,000.
9. The Organization was determined not to be a low-risk auditee.

B. Findings–Financial Statements Audit

None.

C. Findings and Questioned Costs–Major Federal Award Programs Audit

None.

Year One, Inc. dba Mile High Youth Corps
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2021

None.