Audited Financial Statements
Year Ended June 30, 2025

Youth Leadership Foundation, Inc.

Premier Group

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Youth Leadership Foundation, Inc. (YLF)
Washington, D.C.

Opinion

We have audited the accompanying financial statements of Youth Leadership Foundation, Inc.(a nonprofit organization), which comprise the statement of financial position, statement 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 YLF as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of YLF and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We have fulfilled our ethical responsibilities in accordance with these requirements. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America (GAAS), and 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 these 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 YLF'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 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 it 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 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:

- Exercised professional judgment and maintained professional skepticism throughout the audit.
- Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; designed and performed audit procedures responsive to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtained 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 YLF's internal control. Accordingly, no such opinion was expressed.
- Evaluated the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluated the overall presentation of the financial statements.
- Concluded whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about YLF'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 and significant audit findings, and certain internal control-related matters that we identified during the audit.

Premier Group Services, Inc.

Landover, MD
June 23, 2026

Youth Leadership Foundation, Inc
Statement of Financial Position
As of June 30, 2025

CURRENT ASSETS		
Cash and cash equivalents	$	253,785
Pledge receivable		60,000
Prepaid expenses and other assets		6,013
Total current assets		319,798
NON-CURRENT ASSETS		
Right-of-use assets – finance lease, net		5,239
Total non-current assets		5,239
Total Assets	$	325,037
CURRENT LIABILITIES		
Accrued payroll and accrued expenses	$	8,865
Current portion of lease liability-finance lease		1,981
Total current liabilities		10,846
LONG – TERM LIABILITIES		
Long-term portion of lease liability-finance lease		3,467
Total Liabilities		14,313
NET ASSETS		
Without donor restrictions		310,724
Total Net Assets		310,724
Total Liabilities and Net Assets	$	325,037

See Accompanying Notes to the Financial Statements

Youth Leadership Foundation, Inc.
Statement of Activities
For the Year Ended June 30, 2025

		Without Donor Restrictions
REVENUE, SUPPORT, AND GAINS		
Special events revenue	$	82,866
Less: Cost of direct benefits to donors		(14,665)
Net special event revenue		68,201
Contributions		536,317
Grants		45,800
Program revenue		8,591
Total revenue and support		658,909
EXPENSES		
Program services		303,814
Supporting services		
Management and general expenses		169,097
Fundraising expenses		42,177
Total supporting services		211,274
Total expenses		515,088
Change in net assets		143,821
Net assets – beginning of year		166,903
Net assets – end of year	$	310,724

See Accompanying Notes to the Financial Statements

Youth Leadership Foundation, Inc.
Statement of Functional Expense
For the Year Ended June 30, 2025

	Program Services				Supporting Services		
	Program for Academic and Leadership Skills	**Tenley Achievement Program**	**Virtuous Business Leadership Academy**	**Total Program Services**	**Management and General Expenses**	**Fundraising**	**Total Expenses**
Salaries and wages	$ 49,709	$ 174,082	$ -	$ 223,791	$ 40,799	$ 34,547	$ 299,137
Special events - direct costs	-	-	14,665	14,665	-	-	14,665
Contract service expenses	1,673	5,875	-	7,548	76,837	-	84,385
Payroll taxes	4,952	17,230	-	22,182	2,246	2,340	26,768
Occupancy	-	-	-	-	9,925	-	9,925
Employee benefits	3,899	11,388	-	15,287	4,076	4,147	23,510
Travel, meals, and entertainment	4,548	23,606	-	28,154	394	495	29,043
Information technology	524	1,552	-	2,076	12,628	-	14,704
Non-personnel expenses	1,052	1,649	-	2,701	6,670	648	10,019
Interest expense	-	-	-	-	795	-	795
Advertising and promotion	521	1,554	-	2,075	-	-	2,075
Insurance	-	-	-	-	11,992	-	11,992
Depreciation and amortization	-	-	-	-	1,965	-	1,965
Other expenses	-	-	-	-	770	-	770
Total expenses	$ 66,878	$ 236,936	$ 14,665	$ 318,479	$ 169,097	$ 42,177	$ 529,753
Less expense included with revenue on the statement of activities							
Cost of direct benefits to donors	-	-	(14,665)	(14,665)	-	-	(14,665)
Total expenses included in the expense function on the statement of activities	**$ 66,878**	**$ 236,936**	**$ -**	**$ 303,814**	**$ 169,097**	**$ 42,177**	**$ 515,088**

See Accompanying Notes to the Financial Statements

Youth Leadership Foundation, Inc.
Statement of Cash Flows
For the year ended June 30, 2025

Cash Flows from Operating Activities:		
Change in net assets	$	143,821
Adjustments to reconcile change in net assets to net cash (used)/provided by operating activities:		
Depreciation and amortization		1,965
(Increase) in pledge receivable		(60,000)
Decrease in prepaid expenses		3,775
Increase in accrued payroll and accrued expenses		8,834
Net cash provided by operating activities		98,395
Cash Flow from Financing Activities		
Principal payments on finance lease liability		(1,909)
Net cash (used in) financing activities		(1,909)
Net increase in Cash and Cash Equivalents		96,486
Cash and Cash Equivalents, Beginning of Year		157,299
Cash and Cash Equivalents, End of Year	$	253,785

See Accompanying Notes to the Financial Statements

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

Youth Leadership Foundation ("YLF") was incorporated in Washington, D.C. in January 1997. YLF's mission is to build character and support the pursuit of academic excellence, enabling youth in the DC-MD-VA area to enhance the trajectory of their lives. This is accomplished through four major programs.

- Program for Academic and Leadership Skills (PAL) is designed to help girls understand themselves, the world, and how to be great women in it.
- The Tenley Achievement Program (TAP) is designed to cultivate leadership and encouragement in boys to lead by example. YLF's four-pillar success helps students reach their full potential.
- Mentor+ is an initiative of YLF that pairs students with mentors while providing equitable opportunity access to recreation.
- Virtuous Business Leadership Academy (VLA) is a high school mentorship program. Activities include a personal mentor and retreat weekends, focused on a student's personal and professional development.

B. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting, whereby revenue is recognized when earned, and expenses are recorded when liabilities are incurred.

C. Revenue Recognition

YLF recognizes contributions when cash and other assets are received. Contributions 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-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized.

All other donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When the restriction expires (that is, the stipulated time restriction ends or the 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 other than cash are recorded at estimated fair value in the period received. Contributions of services are recognized when received if the services (a) create or enhance non-financial assets or (b) require specialized skills, and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. YLF adopted the provisions of ASC Topic 606, Revenue from Contracts with Customers (ASC 606) issued by the Financial Accounting Standards Board. Under ASC 606, YLF recognizes revenue from contracts when the conditions for revenue recognition are met. Tuition fees are recognized over the academic term to which they relate.

YLF records special event revenue equal to the fair value of direct benefits to donors, and contribution revenue for the difference. For the year ended June 30, 2025, YLF recorded special events revenue totaling $82,866.

D. Right-of-use assets and lease liabilities

YLF accounts for leases under the FASB Accounting Standards Update ASC 842, Leases. Right-of-use (ROU) assets represent YLF's right to use the underlying asset for the lease term, and lease liabilities represent YLF's obligation to make lease payments per the lease. YLF recognizes lease assets and liabilities on the statement of financial position for both operating and finance leases, except for leases with an original term of 12 months or less.

Lease right-of-use assets and lease liabilities are recognized at the lease commencement date and are measured at the present value of lease payments expected to be made over the lease term. Variable lease costs are expensed as incurred and include amounts related to insurance, taxes, maintenance, and contingent rents that are primarily based on a percentage of sales more than a predetermined level.

E. Functional Allocation of Expenses

The costs of programs and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expense presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include salaries and wages, benefits, payroll taxes, and office expenses, which are allocated on the basis of estimates of time and effort.

F. Use of 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 and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

G. Income Taxes

YLF is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, YLF qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

YLF utilizes FASB ASC 740, Income Taxes. FASB ASC 740 prescribes a comprehensive model for how companies should recognize, measure, present, and disclose in their financial statements uncertain tax positions taken or expected to be taken on a tax return. Under FASB ASC 740, tax positions must initially be recognized in the financial statements when it is more likely that the position will be sustained upon examination by the tax authorities.

Such tax positions must initially and subsequently be measured as the largest amount of tax benefit that is greater than 50% likely of being realized upon ultimate settlement with the tax authority, assuming full knowledge of the position and relevant facts. YLF did not have any unrecognized tax benefits, and there was no effect on YLF's financial condition or results of operations because of utilizing FASB ASC 740. Tax years from 2023 through 2025 are subject to examination by the Internal Revenue Service. YLF is currently not under any federal or state audits. Interest and penalties are zero.

H. Net Assets

Net assets are classified as without donor restrictions or with donor restrictions based on the existence or absence of donor-imposed restrictions. A description of the net asset without donor

H. Net Assets (Continued)

restriction is as follows. As of June 30, 2025, all net assets were without donor restrictions. Net assets without donor restrictions are not subject to donor-imposed stipulations and may be expended for any purpose in performing the primary objectives of the organization at the discretion of YLF management and the board of directors.

I. Property and Equipment

Property and equipment are recorded at cost, less accumulated depreciation and amortization, which is calculated using the straight-line method over the following estimated useful lives of the related assets: the lesser of the life of the lease or the life of the asset for leasehold improvements; and 3 to 7 years for furniture, fixtures, and equipment.

When items are disposed of or sold, the cost and accumulated depreciation are eliminated from the records of the account, and a gain or loss is reported in the statement of activities as a change in net assets. Repair and maintenance charges that do not increase the useful lives of the assets are charged to general and administrative expenses as incurred.

NOTE 2: CASH AND CASH EQUIVALENTS AND CONCENTRATIONS OF CREDIT RISK

YLF maintained the majority of its cash deposits with Sandy Spring Bank. Deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per depositor, per insured bank, for each account ownership category. As of June 30, 2025, there were no deposits in excess of FDIC insurance limits. At times during the year, amounts on deposit may exceed the insured limit. To date, YLF has not experienced any losses related to these accounts. As of June 30, 2025, the cash and cash equivalents of YLF were as follows:

		Year-End Balance
Sandy Spring Bank Accounts	$	248,575
PEX Account		1,390
PayPal		3,820
Total	$	253,785

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30, 2025:

		2025
Computer Software	$	12,989
Computer		4,661
Table		2,460
		20,110
Less: accumulated depreciation		(20,110)
	$	-

NOTE 4: LEASES

In December 2022, YLF entered into a finance lease for equipment scheduled to expire in February 2028. YLF includes in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised.

NOTE 4: LEASES (CONTINUED)

The monthly lease payment is $179 over 63 months. As of June 30, 2025, YLF recognized a total right-of-use asset of $5,240 and a corresponding lease liability of $5,448, based on the present value of lease payments using a risk-free rate of 4%.

Total lease costs for the year ended June 30, 2025, were as follows:

Year Ended June 30,		**2025**
Finance lease cost	$	2,204
Lease interest expense		239
Amortization of right-of-use assets		1,965

Future minimum payments and reconciliation to the statement of financial position under the non-cancelable finance lease as of June 30, 2025, were as follows:

June 30,	Finance
2026	2,148
2027	2,148
2028	1,432
Total lease payments	5,728
Less impact of the present value discount	(280)
Present value of lease liabilities	$ 5,448

NOTE 5: AVAILABILITY AND LIQUIDITY

Financial assets available for general expenditures without donor or other restrictions limiting their use within one year of the date of the statement of financial position, comprised the following:

Financial assets available to be used within the next twelve months:		**2025**
Cash and cash equivalents	$	253,785
Pledge receivable		60,000
	$	313,785

NOTE 6: EMPLOYEE BENEFITS

YLF sponsored a tax-deferred annuity plan (the plan) qualified under IRC Section 403(b), covering substantially all full-time employees. The plan provides that employees who have attained the age of 21 and completed one year of service may voluntarily contribute from 1 to 90 percent of their earnings to the plan. During the year ended June 30, 2025, the total employer and employee contributions were $3,481 and $4,050, respectively.

NOTE 7: ACCRUED PAYROLL AND ACCRUED EXPENSES

YLF recorded accrued payroll and accrued expenses totaling $8,865, which is presented in the statement of financial position. As of June 30, 2025, the accrued payroll and accrued expenses were as follows:

		2025
403(b) contributions payable	$	156
Accrued payroll		3,578
Accrued expenses		4,732
Accrued payroll taxes		399
Total	$	8,865

NOTE 8: PLEDGE RECEIVABLE

During the fiscal year 2025, YLF recorded receivables totaling $60,000 as a pledge to be used for fiscal year 2026. The pledge receivable of $60,000 was presented as a current asset in the statement of financial position. Pledge receivables are expected to be collected within one year and are not subject to restrictions. Based on management's evaluation of donor history, no allowance for doubtful accounts has been recorded as of June 30, 2025.

NOTE 9: SUBSEQUENT EVENTS

In preparing these financial statements, YLF has evaluated events and transactions for potential recognition or disclosure through June 23, 2026, the date the financial statements were available to be issued, and determined no items to be disclosed.