

# FINANCIAL STATEMENTS



## **Youth Leadership Foundation, Inc.**

### **Financial Statements**

**For the Years Ended June 30, 2020 & 2019  
Along with Independent Auditor's Report**

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# **Youth Leadership Foundation, Inc.**

**For the Years Ended June 30, 2020 & 2019**

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## INDEPENDENT AUDITOR'S REPORT

To,  
The Board of Directors,  
Youth Leadership Foundation, Inc.  
1015 15TH ST NW STE 600  
WASHINGTON, DC  
20005-2605

### Opinion

We have audited the accompanying financial statements of Youth Leadership Foundation, Inc. ("the Foundation"), which comprise the statement of financial positions as of June 30, 2020, and 2019, the related statement of activities, statement of functional expenses, and statement of cash flows for the years 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 Youth Leadership Foundation, Inc. as of June 30, 2020, and 2019, and the results of its operations and its statement of cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits 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 Youth Leadership Foundation, Inc. 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 Youth Leadership Foundation, Inc. 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**

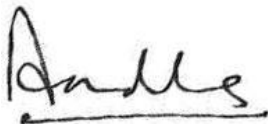
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance 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, including omissions, 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 Youth Leadership Foundation, Inc. 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 Youth Leadership Foundation, Inc. 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.



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For Aradhana Aggarwal CPA, PLLC  
Aradhana Aggarwal  
Certified Public Accountant

Place: Durham, NC  
Date: May 02, 2022

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# **FINANCIAL STATEMENTS**

**Youth Leadership Foundation, Inc.**  
**Statement of Financial Positions**  
**As of June 30, 2020 and 2019**

Particulars	As of June 30, 2020	As of June 30, 2019
<b>Assets</b>		
Cash and cash equivalents	\$ 101,306	\$ 103,855
Contributions Receivable	185,000	319,200
Other Assets	17,014	33,161
<b>Total Assets</b>	<b>303,320</b>	<b>456,216</b>
<b>Liabilities And Net Assets</b>		
Accounts Payable	-	4,200
Other Current Liabilities	101	23,833
Line of Credit	48,429	48,429
PPP Loan	65,825	-
<b>Total Liabilities</b>	<b>114,355</b>	<b>76,462</b>
<b>Commitments and contingencies</b>		
<b>Net Assets</b>		
Without Restriction Donations	(144,546)	94,754
Time Restricted Donations	333,511	285,000
<b>Total Net Assets</b>	<b>188,965</b>	<b>379,754</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 303,320</b>	<b>\$ 456,216</b>

*See accompanying Notes to financial statements*

**Youth Leadership Foundation, Inc.**  
**Statement of Activities**  
**For the Years Ended June 30, 2020 and 2019**

Particulars	Without Restriction Donations	Time Restricted Donations	For the Year Ended June 30, 2020	For the Year Ended June 30, 2019
<b>REVENUES</b>				
Contributions	211,481	-	211,481	507,612
Grants	54,687	25,000	79,687	41,409
Program Revenue	2,824	-	2,824	12,737
Special Events Revenue	108,660	-	108,660	174,415
<b>Total Revenue</b>	<b>377,652</b>	<b>25,000</b>	<b>402,652</b>	<b>736,173</b>
<b>EXPENSES</b>				
Program Expenses	2,546	-	2,546	1,454
Grants, Contracts, & Direct Assistance	11,065	-	11,065	32,360
Salaries & Related Expenses	266,087	-	266,087	394,013
Staff Welfare	30,364	-	30,364	-
Contract Service Expenses	147,743	-	147,743	105,260
Non Personnel Expenses	14,446	-	14,446	26,693
Facility & Equipment Expenses	37,761	-	37,761	49,605
Travel & Meeting Expenses	8,678	-	8,678	12,069
Business Expenses	39,551	-	39,551	32,389
Other Expense	200	-	200	-
Bad Debt	35,000	-	35,000	-
<b>Total Functional Expense</b>	<b>593,441</b>	<b>-</b>	<b>593,441</b>	<b>653,843</b>
Change in Net Assets from Operations	(215,789)	25,000	(190,789)	82,330
Net Assets, Beginning of Year	71,243	308,511	379,754	297,424
<b>Net Assets Without Restriction, End of Year</b>	<b>\$ (144,546)</b>	<b>\$ 333,511</b>	<b>\$ 188,965</b>	<b>\$ 379,754</b>

See accompanying Notes to financial statements



**Youth Leadership Foundation, Inc.  
Statement of Functional Expenses  
For the Year Ended June 30, 2020**

<b>Particulars</b>	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>For the Year Ended June 30, 2020</b>
Program Expenses	\$ 2,546	\$ -	\$ -	\$ 2,546
Grants, Contracts, & Direct Assistance	11,065	-	-	11,065
Salaries & Related Expenses	182,431	51,763	31,893	266,087
Staff Welfare	30,364	-	-	30,364
Contract Service Expenses	179	74,364	73,200	147,743
Non Personnel Expenses	3,980	3,861	6,605	14,446
Facility & Equipment Expenses	33,079	2,341	2,341	37,761
Travel & Meeting Expenses	7,791	-	887	8,678
Business Expenses	7,431	17,987	14,133	39,551
<b>Total</b>	<b>\$ 278,866</b>	<b>\$ 150,316</b>	<b>\$ 129,059</b>	<b>\$ 558,241</b>
	<b>50%</b>	<b>27%</b>	<b>23%</b>	<b>100%</b>

**Youth Leadership Foundation, Inc.**  
**Statement of Cash Flows**  
**For the Years Ended June 30, 2020 and 2019**

Particulars	For the Year Ended June 30, 2020	For the Year Ended June 30, 2019
<b><i>Cash Flows From Operating Activities:</i></b>		
Change in net assets	\$ (190,789)	\$ 82,330
<b><i>Adjustments to reconcile net income to net cash used in operating activities:</i></b>		
<b><i>Changes in operating assets and liabilities:</i></b>		
Accounts receivable	-	(57,480)
Contributions Receivable	134,200	-
Other Assets	16,147	(17,015)
Accounts Payable and Other Current Liability	(27,932)	(35,434)
Deferred Revenue	-	(1,273)
<b>Net Cash Used in Operating Activities</b>	<b>(68,374)</b>	<b>(28,872)</b>
<b><i>Cash Flows From Financing Activities:</i></b>		
Line of Credit	-	48,429
PPP Loan	65,825	-
<b>Net Cash Provided by Financing Activities</b>	<b>65,825</b>	<b>48,429</b>
Net Increase (decrease) in Cash and Cash Equivalents	(2,549)	19,557
Cash and Cash Equivalents at Beginning of Year	103,855	84,298
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 101,306</b>	<b>\$ 103,855</b>

See accompanying Notes to financial statements

**Note 1 – Organization**

Youth Leadership Foundation, Inc., (YLF or "the Foundation") was incorporated in Washington, D.C. in January 1997. The Foundation'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 two major programs. Program for Academic and Leadership Skills (PALS) is designed to help girls understand themselves, the world and how to be great women in it. Tenley Achievement Program (TAP) is designed to cultivate leadership and encouragement in boys to lead by example. YLF's Four Pillars of Success help students reach their full potential.

**Challenging Academics**

The programs employ vigorous curricula crafted to remediate learning gaps and challenge students' problem-solving. During the school year, students receive two 45-minute tutoring blocks, targeting reading, mathematics and study skills. The summer programs include math, English, science and cultural studies.

**Character Formation**

The programs implement substantive character curricula that provoke meaningful self-reflection around the themes of human freedom and responsibility. Each four-year curriculum helps students to answer the questions, "Who Am I?", "Where Am I Going?", "What Is the Path?", and "What Is My Responsibility?" Character lessons are an integral part of each program.

**Personal Mentoring**

Each student is paired with a mentor who helps them to set specific measurable goals related to personal and academic development. Mentors help students to disentangle troubling social situations and come up with creative and self-edifying solutions.

**Parental Involvement**

YLF believes that parents are the primary educators of their students. The Foundation aims to support parents as they guide their children. Monthly Parent Corners during the school year and weekly Parent Seminars in summer provide stimulating conversation among likeminded parents for the purpose of enriching the home.

More than 95% of the parents with students involved in the programs observe significant improvement in their child's behavior after participating in YLF programs.

The Johnny and Mary Clare Holliday Scholarship Fund at YLF helps merit-worthy, need-based students to attend academically excellent, private schools in the region. Scholarships are awarded to provide financial assistance to students in Washington, D.C. and Prince George's County with a good attendance record at YLF programs and who have demonstrated academic excellence and strong integrity. The programs annually award scholarships ranging from \$1,000 to \$10,000 to deserving students, as well as provide education and financial counseling towards obtaining a college degree.

## **Note 2 - Summary of Significant Accounting Policies**

### **Financial Statement Presentation**

YLF Inc's financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The following notes describe the significant accounting policies.

The presentation of net assets follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) topic 958, Not-for-Profit Entities. The Foundation reports information regarding its financial position and activities according to two classes of net assets: net assets without restrictions, and net assets with time restrictions as follows:

Net assets without restrictions are resources available to support operations. The only limits on the use of net assets without restrictions are the broad limits resulting from the nature of the Foundation, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status.

Net assets with time restrictions are subject to restrictions that may or will be met by expenditures, actions, or the passage of time. Contributions restricted by time are reported as increases in net assets without 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. All other restricted contributions are reported as increases in net assets with restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with time restrictions are reclassified to net assets without restrictions and reported in the statement of activities as net assets released from restrictions.

### **Use of Estimates**

The preparation of financial statements are in conformity with US GAAP, which requires the 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

### **Fair Value Measurements**

YLF follows the methods of fair value measurement described in the Fair Value Measurements and Disclosures topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) to determine the fair values of all assets and liabilities required to be measured at fair value. Fair value is based on the price that would be received to sell an asset or paid to transfer a liability, (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. A hierarchy prioritizes the observable and unobservable inputs used to measure fair value into three broad levels, as described below:

- Level 1 – Observable inputs such as quoted prices in active markets for identical assets or liabilities;

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Notes to Financial Statements

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For the Years Ended June 30, 2020 and 2019

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- Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or liabilities in inactive markets, or model-derived valuations in which all significant inputs are observable or can be derived principally from, or corroborated by, observable market data; and
- Level 3 – Unobservable inputs are used when little or no market data is available.

In determining fair value, YLF utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible.

### Cash and Cash Equivalents

The Foundation defines cash equivalents as short-term, highly liquid investments readily convertible to cash with original maturities of three months or less. The Foundation maintained bank balance in four financial banking institution in the United States of America as of June 30, 2020. All the accounts are insured by the Federal Deposit Insurance Corporation on aggregate balances up to \$ 250,000.

### Contribution Receivable

YLF records contribution receivable (unconditional promises to give) that are expected to be collected within one year at net realizable value. Contribution receivable that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on these amounts are computed at the date of gift using risk-adjusted interest rates applicable to the years in which the amounts are expected to be received. Amortization of the discounts is recognized as revenue using the effective-interest method. The discount on multi-year promises to give as of June 30, 2020 and 2019, was determined to be immaterial.

YLF recognizes revenue from conditional grants and promises to give when the conditions stipulated are substantially met. A conditional grant or promise to give is considered unconditional if the possibility that the condition will not be met is remote.

### Revenue Recognition

YLF's significant revenue streams are as follows (refer also to Adoption of New Accounting Standards below):

**Contributions** – Contributions are recognized in the statement of activities when legally binding unconditional promises to give are made or as gifts of cash are received. Contributions are classified as support without restrictions or with restrictions depending upon the existence and/or nature of any restrictions. Contributions that are restricted by the time, or that have an implied restriction, are reported as increases in net assets with time restrictions. Within net assets with time restrictions, amounts are re-classified to net assets without restrictions when purpose or time restrictions expire. Support with restrictions that expire in the same period is classified as net assets without restrictions.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use are reported as restricted support. YLF reports expirations of restrictions when the donated or acquired assets are placed in service. Donated services are recognized as

contributions and expensed in accordance with generally accepted accounting principles if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. Volunteers contribute time to the Foundation's program service activities, the value of which is measured at fair value whenever the recognition criteria have been met.

**Government and Private Grants** – Revenue from program service federal, state, corporate and foundation grants is recognized in accordance with the terms of the respective grant agreement.

**Program Service Fees** – Substantially all revenue recognized from contracts with customers is generated by the Foundation's service fees from schools or students. Fee revenues are recognized over the academic term to which they relate.

**Special Events Income** – The Foundation conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event. Unless a verifiable, objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the Foundation. The direct costs of the special events which ultimately benefit the donor rather than the Foundation are recorded as exchange transaction revenue and exchange transaction expense. All proceeds received in excess of the direct costs are recorded as net special events income in the accompanying statements of activities.

### **Functional Allocation of Expenses**

The costs of program and supporting service 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. Certain costs are attributed to more than one program or supporting function and, therefore, require allocation among the programs and supporting services benefited. Management believes their allocations are done on a reasonable and consistent basis. Most personnel costs, office expenses, professional services, and other expenses are identified with a specific program or supporting function at the time they are incurred and are reported accordingly. However, some of these expenses require allocation, which is done on the basis of estimates of time and effort.

### **Income Tax**

YLF is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and applicable income tax laws and regulations of the District of Columbia. Further, the Foundation has been classified as an organization other than a private foundation under Section 509(a) of the IRC and, as such, contributions to YLF qualify for deduction as charitable contributions. However, income not directly related to the Foundation's tax-exempt purpose is subject to taxation as unrelated business income. YLF had no significant taxable income or income tax expense during the Years Ended June 30, 2020 and 2019.

The Foundation believes that it has conducted its operations in accordance with, and has properly maintained, its tax-exempt status and that it has taken no significant uncertain tax positions. YLF's tax returns are subject to examination by the Internal Revenue Service (IRS) generally for three years after they were filed.

### **Compensated Absences**

YLF's vacation policy does not allow for vacation to be carried over. Since employees must use earned vacation by the end of the fiscal year, no accrued vacation appears in the financial statements.

### **Recently Issued Accounting Pronouncements**

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months.

Leases will be classified as either financial or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2019, for nonprofit organizations. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. Management is currently evaluating the impact of the pending adoption of the new standard on YLF's financial statements.

In June 2018, FASB issued ASU No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which clarifies what is an exchange transaction, of which revenues would be reported under Topic 606, and what is a contribution reported under Topic 958. The new guidance establishes a three-step process for the not-for-profit organizations to walk through in order to determine what type of transaction transpired. For organizations that are not considered public, the standard is effective for periods beginning after December 15, 2018. Early application of the amendments is permitted. Management is currently evaluating the potential impact that the adoption of this update will have on its financial statements.

### **Adoption of New Accounting Standards**

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. YLF adopted the new standard effective July 1, 2018, the first day of the Foundation's fiscal year.

There was no adjustment necessary to the opening balance of net assets as a result of adopting the new revenue standard. For the year ended June 30, 2019, the Foundation has determined that there are no significant differences between the amounts reported for revenue and contract assets and liabilities using Topic 605 (previously in effect) and the

Notes to Financial Statements

For the Years Ended June 30, 2020 and 2019

accounting treatment used in accordance with the new revenue standard. Adoption of ASU 2014-09 had no material impact on the Foundation's financial statements.

In August 2016, the FASB issued ASU No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities*, which improves the understandability of net asset classifications, provides information about liquidity and availability of resources, and adds consistency in the type of information provided about expenses and investment return. YLF has adjusted the presentation of these statements retrospectively to all periods presented. Those adjustments relate to the presentation of net assets previously described as temporarily and permanently restricted to net assets with donor restrictions to conform with the current year presentation required under ASU 2016-14.

**Reclassifications of Prior Year Amounts**

Certain prior year amounts have been reclassified to conform to the current year presentation. These reclassifications had no effect on previously reported result of operation.

**Note 3 – Concentrations of Credit Risk**

Financial instruments that potentially subject the Foundation to a concentration of credit risk consist principally of cash and accounts receivable.

Sales to customers that individually contributed in excess of 5% of total revenue are as follows:

Particulars	For the Year Ended June 30, 2020	For the Year Ended June 30, 2019
Number of Customers	5	5
Revenue Contributed	\$ 57,819	\$ 422,958
Total Revenue	\$ 211,481	\$ 507,612
Percentage of Total Revenue Contributed	27%	71%
Total Receivables	\$ 25,000	\$ 175,000

**Funding Source Concentrations**

No grantors individually provided over 10% of the Foundation's total support and revenue for the year ended June 30, 2020.

**Note 4 – Liquidity and Availability of Resources**

YLF receives significant support through donations. In some cases, a donor's restriction requires resources to be used in a particular manner or in a future period, and the Foundation must maintain sufficient resources to meet those responsibilities to its donors, thus certain financial assets may not be available for general expenditures within one year. As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.



**Youth Leadership Foundation, Inc.****Notes to Financial Statements****For the Years Ended June 30, 2020 and 2019**

The following represents the Foundation's financial assets as of June 30, 2020:

<b>Particulars</b>	<b>2020</b>	<b>2019</b>
Cash and cash equivalents	\$ 101,306	\$ 103,855
Contribution receivable, net	185,000	319,200
Other Assets	17,014	33,161
<b>Total financial assets</b>	<b>\$ 303,320</b>	<b>\$ 456,216</b>
Less amounts not available within one year:		
Time restricted by donor	72,500	(148,800)
Amounts board-designated for scholarships	-	-
<b>Financial assets available to meet cash needs for general expenditures within one year</b>	<b>\$ 375,820</b>	<b>\$ 307,416</b>

**Note 5 – Contribution Receivable**

Contributions are recognized when the donor makes a pledge to give to YLF that is, in substance, unconditional. An allowance for uncollectible pledges is recorded based on an analysis of collection histories. Restricted contributions are reported as increases in net assets with restrictions. When a restriction expires, net assets with restrictions are reclassified to net assets without restrictions.

Pledges receivable as of June 30, 2020 are as follows:

<b>Particulars</b>	<b>2020</b>	<b>2019</b>
Contribution receivable	\$ 197,500	\$ 332,500
Less allowance for uncollectible	(12,500)	(13,300)
<b>Net pledges receivable</b>	<b>\$ 185,000</b>	<b>\$ 319,200</b>
Amounts due in :		
Less than one year	112,500	170,400
One to two years	72,500	148,800
<b>Total</b>	<b>\$ 185,000</b>	<b>\$ 319,200</b>

**Note 6 – Line of Credit**

YLF obtained a \$ 50,000 line of credit from a bank to provide for short-term cash needs. The loan matures on December 31, 2099, and is secured by certain assets of the organization. Amounts borrowed under this line are evidenced by a promissory note and bear interest at Wall Street prime plus 1.0% per annum. There was an outstanding balance of \$ 48,429 on this line of credit as of June 30, 2020.

**Note 7 – PPP Loan**

The Foundation had received a short term loan amounting to \$ 65,824 in the year 2020 under the Paycheck Protection Plan granted as a part of stimulus package by the US Government. Foundation had utilized the amount for eligible expenses.

**Youth Leadership Foundation, Inc.**

**Notes to Financial Statements**

**For the Years Ended June 30, 2020 and 2019**

**Note 8 – Net Assets**

Net assets with restrictions at June 30, 2020 and 2019, consisted of \$ 333,511 and \$ 285,000, respectively, with time limitations. Net assets released from time restriction were \$ 82,330 for the Year Ended June 30, 2020.

Net assets without donor restrictions consisted of the following as of June 30, 2020:

<b>Particulars</b>	<b>2020</b>	<b>2019</b>
Undesignated	\$ (144,546)	\$ 94,754
Board-designated scholarship funds	-	-
<b>Total</b>	<b>\$ (144,546)</b>	<b>\$ 94754</b>

**Note 9 – Transactions with Related Parties**

Related party transactions are those transactions which occur between the Foundation and its related companies.

In the Years Ended June 30, 2020 and 2019, the Foundation received contributions and pledges from members of the board of directors. Pledges receivable from board members were \$110,000 and \$195,000 as of June 30, 2020 and 2019, respectively.

**Note 10 – Retirement Plan**

YLF sponsors a 401(k) savings Plan covering qualified employees, as defined. The plan is made available to all eligible employees, with no minimum service requirement. Employees are encouraged to make voluntary contributions to the plan up to the maximum limits allowed by law. The Foundation makes a matching contribution of \$ 0.33 for every dollar contributed by an employee, up to 3%.

**Note 11 – Note on COVID -19**

The Foundation's operations might have been affected by the outbreak of coronavirus disease 2020 which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruptions which have been caused by the outbreak is uncertain; however, it may or may not result in a material adverse impact on the Foundation's financial position operations, and cash flows in the future. Possible effects may include, but are not limited to, disruption to the Foundation's revenues and a decline in the value of its goodwill.

**Note 12 – Subsequent Events**

Subsequent events are events or transactions that occur after the statement of financial position date but before financial statements are issued. The Foundation recognizes the effects of subsequent events that provide additional information about conditions that existed at the date of the statement of financial positions. Management has evaluated events occurring between the end of its fiscal year, June 30, 2020 and May 02, 2022, the date the financial statements were available to be issued for matters that would require disclosure or adjustments to the financial statements. No events have occurred subsequent to June 30, 2020 that requires recording or disclosure in these financial statements.