

YOUTH LEADERSHIP FOUNDATION, INC.

**Financial Statements
And
Independent Auditor's Report**

For the Year Ended December 31, 2013

**Conlon and Associates, LLC
Certified Public Accountant**

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CONLON AND ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Youth Leadership Foundation Inc.
Washington, D.C.

We have audited the accompanying financial statements of the Youth Leadership Foundation, Inc. (a District of Columbia non-stock corporation, not-for-profit organization), which comprise the statement of financial position as of December 31, 2013, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Youth Leadership Foundation, Inc. as of December 31, 2013, and the results of its operations and its cash flows for the year then ended, in accordance with U.S. generally accepted accounting principles.

Conlon and Associates, LLC

January 8, 2015

YOUTH LEADERSHIP FOUNDATION, INC.
Statement of Financial Position
As of December 31, 2013

ASSETS

Current Assets

Cash and cash equivalents	\$ 169,597
Contributions receivable	21,131
Pledges receivable	51,250
Prepaid expenses	4,612
Total current assets	246,590

Property and equipment

Property and equipment, net	2,280
Total property and equipment	2,280

TOTAL ASSETS

248,870

LIABILITIES

Current liabilities

Accounts payable and accrued expenses	17,968
Loan payable	1,525
Total current liabilities	19,493

TOTAL LIABILITIES

19,493

NET ASSETS

Unrestricted	229,377
Total net assets	229,377

TOTAL LIABILITIES AND NET ASSETS

\$ 248,870

The Notes to Financial Statements are an Integral Part of These Statements

YOUTH LEADERSHI FOUNDATION, INC.
Statement of Activities
For the Year Ended December 31, 2013

REVENUE

Contributions	\$ 536,887
Grants	128,514
Program service revenue	173,117
Other	1,105
Total revenue	<u>839,623</u>

EXPENSES

Program services	562,066
Supporting services	
Management and general	86,699
Fundraising	130,294
Total expenses	<u>779,059</u>

CHANGE IN NET ASSETS 60,564

NET ASSETS BEGINNING OF YEAR 168,813

NET ASSETS END OF YEAR \$ 229,377

The Notes to Financial Statements are an Integral Part of These Statements

YOUTH LEADERSHIP FOUNDATION, INC.

Statement of Cash Flows

For the Year Ended December 31, 2013

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in net assets	<u>\$ 60,564</u>
Adjustments to reconcile decrease in net assets to cash provided by operating activities:	
Depreciation	1,304
(Increase) decrease in operating assets:	
Contributions receivable	(18,631)
Pledges receivable	6,400
Loan receivable	1,100
Prepaid expenses	(3,370)
Increase (decrease) in operating liabilities:	
Accounts payable and accrued expenses	(10,034)
Loan payable	(1,500)
Total adjustments	<u>(24,731)</u>
Net cash provided by operating activities	<u>35,833</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Increase in property and equipment	<u>(1,000)</u>
Net cash used by investing activities	<u>(1,000)</u>

NET INCREASE IN CASH 34,833

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 134,764

CASH AND CASH EQUIVALENTS AT END OF YEAR \$ 169,597

The Notes to Financial Statements are an Integral Part of These Statements

YOUTH LEADERSHIP FOUNDATION, INC.
Statement of Functional Expenses
For the Year Ended December 31, 2013

Account	Program	Management & General	Fundraising	Total
Depreciation	\$ 985	\$ 139	\$ 180	\$ 1,304
Independent contractors	38,039	40,204	21,500	99,743
Insurance	5,066	965	-	6,031
Interest	-	708	-	708
Meetings and conferences	79,976	-	66,408	146,384
Occupancy	54,048	5,469	4,826	64,343
Office	17,957	3,341	2,945	24,243
Payroll, benefits	33,256	3,362	2,973	39,591
Payroll, salaries	288,857	29,102	24,082	342,041
Payroll, taxes	19,932	2,017	1,780	23,729
Supplies	23,494	-	-	23,494
Travel	456	292	-	748
Write-off, contribution receivable	-	-	2,500	2,500
Write-off, loan receivable	-	1,100	-	1,100
Write-off, pledges receivable	-	-	3,100	3,100
Total	\$ 562,066	\$ 86,699	\$ 130,294	\$ 779,059

The Notes to Financial Statements are an Integral Part of These Statements

YOUTH LEADERSHIP FOUNDATION, INC.
Notes to Financial Statements

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization:

The Youth Leadership Foundation, Inc. (Organization) is a non-stock corporation, organized as an Internal Revenue Code 501(c)(3) tax-exempt organization. The Organization was established in 1997 in the District of Columbia. Its purpose is to provide supplemental mathematics, science, English, and drama classes, as well as sports activities, to young girls and boys throughout the year.

Significant accounting policies are as follows:

Fiscal Year:

The Organization's fiscal year reporting period is January 1 through December 31.

Basis of Presentation:

Financial statement presentation follows the requirements of the FASB ASC 958-205 *Presentation of Financial Statements for Not-for-Profit Organizations*. Under FASB ASC 958-205, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization had no temporarily or permanently restricted net assets at December 31, 2013.

Use of Estimates:

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect: (1) the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements; and (2) the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition:

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. All revenue is considered available for the Organization's general programs unless specifically restricted by the donor. Support that is restricted by the donor is reported as an increase in temporarily restricted net assets, depending on the nature of the restriction and when restrictions are met.

YOUTH LEADERSHIP FOUNDATION, INC.
Notes to Financial Statements

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Revenue Recognition, Continued:

When a restriction expires (that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets in the Statement of Activities. Revenue received with temporary restrictions that are met in the same reporting period is reported as unrestricted support, and increases unrestricted net assets. Program service revenue is recognized when it is earned.

Income Taxes:

The Organization is organized under section 501(a) of the Internal Revenue Code, as a tax-exempt organization under section 501(c)(3). In addition, the Organization has been classified as an organization that is not a private foundation under section 590(a)(1). Income that is not related to exempt purposes, less applicable deductions, is subject to federal and state income taxes. The Organization did not have any unrelated business income for the year ended December 31, 2013.

Cash and Cash Equivalents:

For purposes of the statements of financial position and cash flows, the Organization considers as cash all highly liquid investments, with initial maturity of three months or less.

NOTE 2: PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. Depreciation is calculated for financial statement purposes using the straight-line method over each property's estimated life. As of December 31, 2013, the composition of fixed assets is as follows.

Asset	Cost	Accumulated Depreciation	Book Value
Computers	\$ 8,821	\$ 6,541	\$ 2,280
Copiers	9,582	9,582	-
Software	4,250	4,250	-
Furniture	12,540	12,540	-
Instructional computers and software	11,289	11,289	-
Total	\$ 46,482	\$ 44,202	\$ 2,280

YOUTH LEADERSHIP FOUNDATION, INC.
Notes to Financial Statements

NOTE 3: FUNCTIONAL EXPENSE ALLOCATION

The Organization's expenses are categorized by function, and allocated between the areas of program, management and general, and fundraising expenses. Certain costs, which benefit more than one category, are allocated based on staff compensation.

NOTE 4: SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through January 8, 2015, the date the financial statements were available to be issued.

NOTE 5: REPORT RELEASE DATE

Management has performed its final review of the financial statements through January 8, 2015, the date the financial statements were available to be issued.