

YOUTH LEADERSHIP FOUNDATION, INC.

**Financial Statements
And
Independent Auditor Report**

For the Year Ended December 31, 2009

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

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CONLON AND ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR REPORT

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

We have audited the accompanying statement of financial position of Youth Leadership Foundation, Inc. as of December 31, 2009 and the related statement of activities, and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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 December 31, 2009, and the change in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying statement of functional expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is presented fairly, in all material respects, in relation to the basic financial statements taken as a whole.

Conlon and Associates LLC

Silver Spring, Maryland
June 30, 2010

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YOUTH LEADERSHIP FOUNDATION
Statement of Financial Position
As of December 31, 2009

ASSETS

Current Assets

Cash and cash equivalents	\$ 246,608
Pledges receivable	30,400
Loan receivable	1,100
Prepaid expenses	1,600
Total current assets	279,708

Fixed assets

Property and equipment, net	9,161
Total fixed assets	9,161

TOTAL ASSETS 288,869

LIABILITIES

Current liabilities

Accounts payable and accrued expenses	17,559
Withholdings payable	1,570
Loan payable	4,025
Total current liabilities	23,154

TOTAL LIABILITIES 23,154

NET ASSETS

Unrestricted	265,715
Total net assets	265,715

TOTAL LIABILITIES AND NET ASSETS **\$ 288,869**

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

YOUTH LEADERSHIP FOUNDATION, INC.

Statement of Activities

For the Year Ended December 31, 2009

	Total
REVENUE	
Grants	\$ 200,514
Tuition fees	49,570
Contributions	647,359
Interest income	543
Realized loss on investments	(3,540)
Unrealized gain on investments	8,520
Total revenue	<u>902,966</u>
EXPENSES	
Program services	637,879
Supporting services	
Management and general	96,232
Fundraising	85,478
Total expenses	<u>819,589</u>
CHANGE IN NET ASSETS	83,377
NET ASSETS BEGINNING OF YEAR	<u>182,338</u>
NET ASSETS END OF YEAR	\$ 265,715

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, 2009

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in net assets	\$ 83,377
Adjustments to reconcile decrease in net assets to cash provided by operating activities:	
Depreciation	5,241
(Increase) decrease in operating assets:	
Pledges receivable	(30,400)
Loan receivable	2,500
Prepaid expenses	(1,600)
Increase (decrease) in operating liabilities:	
Accounts payable and accrued expenses	19,129
Total adjustments	<u>(5,130)</u>
Net Cash Provided by Operating Activities	78,247
NET INCREASE IN CASH	78,247
CASH AT BEGINNING OF YEAR	<u>168,361</u>
CASH AT END OF YEAR	\$ 246,608

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

YOUTH LEADERSHIP FOUNDATION, INC.
Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization:

The Youth Leadership Foundation, Inc. (Foundation) is a non-stock corporation, organized as an Internal Revenue Code 501(c)(3) nonprofit corporation. The Foundation 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 Foundation's fiscal year reporting period is January 1 through December 31.

New Accounting Pronouncements

Effective January 1, 2009, the Foundation adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 105-10, *FASB Codification* (the Codification). The Codification is the single source of authoritative United States generally accepted accounting principles (GAAP). Accordingly, references to GAAP have been updated for the appropriate Codification reference.

Basis of Presentation

Financial statement presentation follows the recommendations of the FASB ASC 958-205 *Presentation of Financial Statements for Not-for-Profit Organizations*. Under FASB ASC 958-205, the Foundation 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 Foundation had unrestricted net assets at December 31, 2009.

Use of Estimates

The preparation of financial statements in conformity with 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.

YOUTH LEADERSHIP FOUNDATION, INC.
Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Revenue Recognition

All revenue is considered available for the Foundation'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.

Revenue received with temporary restrictions that are met in the same reporting period is reported as unrestricted support, and increases unrestricted net assets. 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.

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Income Taxes:

The Foundation is a tax-exempt organization that is generally exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Foundation 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 Foundation did not have any unrelated business income for the year ended December 31, 2009.

Cash and Cash Equivalents:

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

NOTE 2: FIXED ASSETS

Property and equipment are stated at cost. Depreciation is calculated for financial statement purposes using the straight-line method based over each property's estimated life. As of December 31, 2009, the composition of fixed assets is as follows.

YOUTH LEADERSHIP FOUNDATION, INC.
Notes to Financial Statements

NOTE 2: FIXED ASSETS, CONTINUED

Asset	Cost	Accumulated Depreciation	Book Value
Computers	\$ 3,115	\$ 3,115	\$ -
Copiers	9,582	5,286	4,296
Software	4,250	2,267	1,983
Furniture	11,540	8,658	2,882
Total	\$ 28,487	\$ 19,326	\$ 9,161

NOTE 3: SUBSEQUENT EVENTS

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through June 30, 2010, the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

YOUTH LEADERSHIP FOUNDATION, INC.

Statement of Functional Expenses
For the Year Ended December 31, 2009

Account	Program	Management & General	Fundraising	Total
Depreciation	\$ -	\$ 5,241	\$ -	\$ 5,241
Independent contractors:				
Accounting	-	8,145	-	8,145
Background checks	553	-	-	553
Development	-	-	8,203	8,203
Events	15,000	-	33,799	48,799
Field trips	6,797	-	-	6,797
Payroll service	2,806	450	208	3,464
Public relations	973	-	-	973
Information technology	937	-	-	937
Insurance	10,011	2,509	-	12,520
Meetings	83,569	-	-	83,569
Occupancy	39,309	6,667	-	45,976
Office – finance charges	-	4,003	-	4,003
Office – dues & subscriptions	50	-	-	50
Office – postage	5,485	859	-	6,344
Office – printing	8,966	-	-	8,966
Office – repairs	4,728	211	-	4,939
Office - supplies	29,204	-	11,418	40,622
Office - telephone	7,004	1,643	-	8,647
Payroll – benefits	35,107	5,634	2,601	43,342
Payroll – salaries	354,648	56,536	27,249	438,433
Payroll –tax	27,003	4,334	2,000	33,337
Travel	5,729	-	-	5,729
Total	\$ 637,879	\$ 96,232	\$ 85,478	\$ 819,589