

Financial Statements
June 30, 2024

With Independent Auditor's Report Thereon

Youth Leadership Foundation

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Youth Leadership Foundation

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The Board of Directors and Management
Youth Leadership Foundation
Washington, DC

Opinion

We have audited the accompanying financial statements of the Youth Leadership Foundation ("the Organization") which comprise the statement of financial position as of June 30, 2024, the statements of activities and 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 Organization's financial position as of June 30, 2024, and the changes 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 the Organization and to meet 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 designing, implementing, and maintaining 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 the Organization's ability to continue as a going concern within one year from the date the financial statements are issued.

Other Matter

The 2023 financial statements were reviewed by us and our report thereon, dated July 30, 2024, stated we were not aware of any material modifications that should be made to those statements for them to be in accordance with accounting principles generally accepted in the United States of America. A review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements as a whole.

Auditor's Responsibility 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

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of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, 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 to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's 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 the Organization'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, significant audit findings and certain internal control-related matters that we identified during the audit.



Silver Spring, MD
August 25, 2025

	2024	2023 (Unaudited)
Assets		
Cash and cash equivalents	$ 157,299	$ 78,497
Promises to give, net	-	11,000
Prepaid expenses and other assets	9,788	10,809
Finance lease right of use asset	7,204	9,169
Total assets	$ 174,291	$ 109,475
Liabilities and Net Assets		
Accounts payable and accrued expenses	$ 31	$ 31,022
Line of credit	-	17,240
Finance lease liability	7,357	9,197
Total liabilities	7,388	57,459
Net Assets Without Donor Restrictions	166,903	52,016
Total liabilities and net assets	$ 174,291	$ 109,475

	Without Donor Restrictions	
	2024	2023 (Unaudited)
Revenue, Support, and Gains		
Tuition fees	$ 6,790	$ 12,269
Other program services	-	38
In-kind contributions	-	422
Private contributions and grants	622,020	521,257
Gross special events revenue	69,500	33,750
Less cost of direct benefits to donors	(9,144)	(24,611)
Net special event revenue	60,356	9,139
Total revenue, support, and gains	689,166	543,125
Expenses		
Total program services expenses	331,841	499,867
Supporting services expense		
Management and General	164,280	153,851
Fundraising and development	78,158	118,989
Total supporting services expenses	242,438	272,840
Total expenses	574,279	772,707
Change in Net Assets	114,887	(229,582)
Net Assets, Beginning of Year, as Reported	52,016	281,598
Prior-period Adjustment		
Net Assets, End of Year	$ 166,903	$ 52,016

	Total Program Services	Management and General	Fundraising and Development	Cost of Direct Benefits to Donors	Total
Salaries and wages	$ 232,184	$ 31,803	$ 33,191	$ -	$ 297,178
Accounting fees	-	43,400	-		43,400
Payroll taxes	29,135	5,401	1,771		36,307
Occupancy	14,396	11,033	400	4,952	30,781
Employee benefits	4,071	24,309	1,706		30,086
Travel, meals and entertainment	18,618	-	4,179	2,854	25,651
Information technology	3,086	5,675	9,131		17,892
Management fees	-	14,400	1,800		16,200
Other professional services	1,954	11,806	17,392		31,152
Interest	7,758	2,496	-		10,254
Advertising and promotion	6,085	579	3,264		9,928
Insurance	2,278	4,098	416		6,792
Conferences, conventions and meetings	2,239	431	2,206		4,876
Training and development	3,470	-	-		3,470
Depreciation and amortization	-	819	1,146		1,965
Grants and other assistance	600	-	-		600
Other expenses	5,967	8,030	1,556	1,338	16,891
Total expenses by function	331,841	$ 164,280	$ 78,158	$ 9,144	$ 583,423
Less expenses included with revenues on the statement of activities					
Cost of direct benefits to donors	-	-	-	(9,144)	(9,144)
Total expenses included in expense section on the statement of activities	331,841	$ 164,280	$ 78,158	$ -	$ 574,279

See Notes to Financial Statements

Youth Leadership Foundation
Statement of Functional Expenses
June 30, 2023 (Unaudited)

	Total Program Services	Management and General	Fundraising and Development	Cost of Direct Benefits to Donors	Total
Salaries and wages	$ 257,628	$ 37,800	$ 56,700	$ -	$ 352,128
Payroll taxes	72,208	9,826	5,439	-	87,473
Travel	44,703	4,686	583	-	49,972
Employee benefits	15,042	17,350	7,599	-	39,991
Management fees	16,200	15,000	5,000	-	36,200
Occupancy	23,455	10,230	137	10,197	44,019
Accounting fees	-	30,873	-	-	30,873
Other professional services	479	5,220	20,613	1,250	27,562
Office expenses	16,891	5,945	2,984	191	26,011
Advertising and public awareness	17,200	-	2,527	-	19,727
Information technology	3,549	3,571	6,061	-	13,181
Insurance	-	11,528	-	-	11,528
Grants and similar assistance	7,800	-	-	-	7,800
Program field activities	5,234	-	-	-	5,234
Food, beverages and entertainment	4,437	-	645	10,474	15,556
Staff development	3,035	-	551	-	3,586
Conferences, conventions and meetings	769	-	150	-	919
Prizes, gifts and awards				2,483	2,483
Bad debt expense	-	355	-	-	355
Depreciation and amortization		1,146		-	1,146
Interest		210		-	210
Other	11,237	111	10,000	16	21,364
Total expenses by function	$ 499,867	$ 153,851	$ 118,989	$ 24,611	$ 797,318
Less expenses included with revenues on the statement of activities					
Cost of direct benefits to donors	-	-	-	(24,611)	(24,611)
Total expenses included in expense section on the statement of activities	$ 499,867	$ 153,851	$ 118,989	$ -	$ 772,707

See Notes to Financial Statements

	2024	2023 (Unaudited)
Cash Flows from Operating Activities		
Change in net assets	$ 114,887	$ (229,582)
Adjustments to reconcile change in net assets to net cash from (used for) operating activities		
Depreciation and amortization	1,965	1,146
Changes in operating assets and liabilities		
Accounts receivable, net	-	104
Promises to give, net	11,000	(3,500)
Prepaid expenses and other assets	1,021	-
Accounts payable and accrued expenses	(30,991)	29,951
Net Cash Provided (used) by Operating Activities	$ 97,882	$ (201,881)
Cash Flows from Financing Activities		
Net borrowing (loan repayments)	(17,240)	17,090
Principal payments on finance leases	(1,840)	(1,118)
Net Cash Provided (used) by Financing Activities	(19,080)	15,972
Net Change in Cash and Cash Equivalents	78,802	(185,909)
Cash and Cash Equivalents, Beginning of Year	78,497	264,406
Cash and Cash Equivalents, End of Year	$ 157,299	$ 78,497
Supplemental Disclosure of Cash Flow Information		
Equipment financed through finance lease arrangement	-	10,135

Note 1 - Principal Activity and Significant Accounting Policies

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. The 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.

Cash, Cash Equivalents, and Restricted Cash

We consider all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects or other long-term purposes are excluded from this definition.

Receivables and Credit Policies

Accounts receivable consist primarily of noninterest-bearing amounts due for off-site educational programs. We determine the allowance for uncollectable accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable.

Receivables from contracts with customers are reported as accounts receivable, net, in the accompanying statement of financial position. Contract liabilities are reported as deferred revenue in the accompanying statement of financial position.

Promises to Give

We record unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. We determine the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. Management determined that all receivables at June 30, 2024 and 2023, were collectable and that no allowance was required.

Property and Equipment

We record property and equipment additions over $750 at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 39 years. When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

We review the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. All furniture and equipment was fully depreciated at June 30, 2024 and 2023.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. We report contributions restricted by donors as increases in net assets without donor 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 donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, 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.

Revenue and Revenue Recognition

We recognize revenue from tuition fees over the academic term to which they relate. We record special events revenue equal to the fair value of direct benefits to donors, and contribution revenue for the difference.

We recognize contributions when cash, securities or other assets, an 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 have been substantially met.

Donated Services and In-Kind Contributions

Contributed nonfinancial assets include donated program food and supplies, professional services, and other in-kind contributions which are recorded at the respective fair values of the goods or services received (Note 10). We do not sell donated gifts-in-kind. In addition to contributed nonfinancial assets, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation.

Advertising Costs

Advertising costs are expensed as incurred, and approximated $9,928 and $19,727 during the years ended June 30, 2024 and 2023, respectively.

Functional Allocation of Expenses

The costs of program and supporting services 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. 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.

Income Taxes

The Youth Leadership Foundation is organized as a District of Columbia nonprofit corporations and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as an organization described in IRC Section 501(c)(3), qualifies for the charitable contribution deduction, and has been determined not to be a private foundation. We are annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, it is subject to income tax on net income that is derived from business activities that are unrelated to our exempt purposes. We have determined that we are not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of 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, and those differences could be material.

Financial Instruments and Credit Risk

We manage deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits. Insured accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per depositor, per insured bank, for each account ownership category. At June 30, 2024 and 2023, we had no deposits, in excess of FDIC insurance limits. To date, we have not experienced losses in any of these accounts.

Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from Board members, governmental agencies, and foundations supportive of our mission.

Subsequent Events

Management evaluated subsequent events through August 25, 2025, the date the financial statements were available to be issued, and determined that no events had an impact on these statements.

Note 2 - Liquidity and Availability

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

	2024	2023 Unaudited
Cash and cash equivalents	$ 157,299	$ 78,497
Promises to give, net due in one year	-	11,000
	$ 157,299	$ 89,497

Our goal is to maintain financial assets at a level equal to 90 days of our operating expenses (approximately $144,000). As part of our liquidity management plan, we also maintain a $50,000 line of credit available to meet seasonal cash flow needs (Note 5).

Note 3 - Fair Value Measurements and Disclosures

We report certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets that we can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset. In these situations, we develop inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, considering factors specific to the asset. The categorization of

an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset.

We had no assets measured at fair value, at June 30, 2024 and 2023.

Note 4 - Promises to Give

At June 30, 2024, there were no promises to give. At Jun 30, 2023, 91 percent of gross promises to give was receivable from one donor. Two contributors accounted for approximately 14 percent and 31 percent of total contribution revenue for the years ended June 30, 2024 and 2023, respectively.

Note 5 - Line of Credit

We have a $50,000 revolving line of credit with a bank, secured by accounts receivable and promises to give. Borrowings under the line bear interest at the bank's prime rate plus 1%, or a floor of 5.00%. The loan has no stated maturity date. The agreement requires us to comply with certain financial and non-financial covenants. The outstanding balance was paid in the year ended June 30, 2024.

Note 6 - Leases

We lease certain equipment under a long-term non-cancelable operating lease agreement. The lease expires in February 2028, at which time we have the option of purchasing or returning the equipment. and provides for renewal options ranging from one year to three years. The monthly lease payment is $179. The weighted-average discount rate is based on the discount rate implicit in the lease. We have elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. We have applied the risk-free rate option to the equipment class of assets.

We have elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis. We elected the practical expedient to not separate lease and non-lease components for our equipment leases.

Total finance lease costs for the year ended June 30, 2024 and 2023, were:

	2024	2023 (Unaudited)
Interest expense	$ 308	$ 210
Amortization of right-of-use assets	1,965	1,146

The following table summarizes supplemental cash flow information for the years ended June 30, 2024 and 2023:

	2024	2023 (Unaudited)
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from finance leases	$ 308	$ 210
Financing cash flows from finance leases	1,840	1,118

The following summarizes the weighted-average remaining lease term and weighted-average discount rate for finance leases:

	2024	2023 (Unaudited)
Weighted-average remaining lease term in years	4	5
Weighted-average discount rate	3.68%	3.68%

The future minimum lease payments under the noncancelable finance lease are listed below as of June 30, 2024:

Years Ending June 30,	
2025	$ 2,148
2026	2,148
2027	2,148
2028	1,432
	7,876
Less interest	(519)
Present value of lease liabilities	$ 7,357

Note 7 - Net Assets With Donor Restrictions

There were no net assets with donor restrictions or board designations at June 30, 2024 and 2023.

Note 8 - Employee Benefits

We sponsor a tax-deferred annuity plan (the Plan) qualified under IRC Section 401(k) 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 percent to 90 percent of their earnings to the Plan, up to the maximum contribution allowed by the IRS. Employer contributions are discretionary and are determined and authorized by the Board of Directors each plan year. During the years ended June 30, 2024 and 2023, we matched employee voluntary contributions up to 3 percent, resulting in contributions to the plan of $1,515 and $498, respectively.

Note 9 - Related-Party Transactions

During the years ended June 30, 2024 and 2023, we purchased professional management services totaling $0 and $25,000, respectively, from a company in which a close family member of one of our officers has a controlling interest.

Note 10 - Donated Professional Services and Materials

We received no donated professional services and materials in the year ended June 30, 2024. For the year ended June 30, 2023, contributed nonfinancial assets recognized within the statement of activities included $422 for program food and supplies.

Contributed food, supplies, and professional services are valued using estimated U.S. wholesale prices (principal market) of identical or similar products using pricing data under a “like-kind” methodology considering the goods’ condition and utility for use at the time of the contribution. Contributed food and supplies consist of books used in program services and contributed services consist of marketing services is used for management and general activities.