WORLD YOUTH CLUBS, INC.
ORLANDO, FLORIDA

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

HANTZMON WIEBEL CPAs & Advisors

WORLD YOUTH CLUBS, INC.

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HANTZMON WIEBEL CPAs & Advisors

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors
World Youth Clubs, Inc.
Orlando, Florida

Opinion

We have audited the accompanying financial statements of WORLD YOUTH CLUBS, INC. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activity 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 WORLD YOUTH CLUBS, INC. as of December 31, 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 WORLD YOUTH CLUBS, INC. and to meet our 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 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 WORLD YOUTH CLUBS, INC.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

To the Board of Directors
World Youth Clubs, Inc.

Report of Independent Auditors

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 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 World Youth Clubs, Inc.'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 World Youth Clubs, Inc.'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.

Hantzmon Wiebel LLP

Charlottesville, Virginia
August 7, 2026

WORLD YOUTH CLUBS, INC.

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	$ 137,973
Pledges receivable	41,400
Other receivables	3,133
Prepaid expenses	12,472
Investments available for current operations	780,926
Total current assets	975,904
PROPERTY AND EQUIPMENT	
Furniture	12,998
Leasehold improvements	49,625
Website	56,000
Work-in-progress	16,800
Less: Accumulated depreciation	(65,814)
Net property and equipment	69,609
OTHER ASSETS	
Right-of-use asset under operating lease	7,229
Trademarks	15,411
Total other assets	22,640
Total assets	$ 1,068,153

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable and accrued expenses	$ 74,488
Payroll liabilities	20,261
Obligation under operating lease - current portion	7,324
Total current liabilities	102,073
Total liabilities	102,073
NET ASSETS	
Without donor restrictions	966,080
With donor restrictions	....
Total net assets	966,080
Total liabilities and net assets	$ 1,068,153

(The accompanying notes are an integral part of this financial statement)

WORLD YOUTH CLUBS, INC.

STATEMENT OF ACTIVITY AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE			
Contributions	1,582,647	$ 296,686	$ 1,879,333
Other income	10,696	....	10,696
Net investment income	21,975	....	21,975
Net assets released from restrictions:			
Contributions released from restrictions	316,228	(316,228)	....
Total revenue	1,931,546	(19,542)	1,912,004
EXPENSES			
Program services	1,478,325	....	1,478,325
Management and general	243,378	....	243,378
Fund-raising	186,175	....	186,175
Total expenses	1,907,878	....	1,907,878
CHANGE IN NET ASSETS	23,668	(19,542)	4,126
NET ASSETS, BEGINNING OF YEAR	942,412	19,542	961,954
NET ASSETS, END OF YEAR	$ 966,080	$	$ 966,080

(The accompanying notes are an integral part of this financial statement)

WORLD YOUTH CLUBS, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025

		Supporting Services		
	Program Services	Management and General	Fund-Raising	Total
Salaries	$ 426,453	$ 67,314	$ 68,327	$ 562,094
Contractors	456,971	106,296	84,756	648,023
Benefits	26,916	8,067	4,189	39,172
Payroll taxes	32,526	5,134	5,211	42,871
Total personnel expenses	942,866	186,811	162,483	1,292,160
Grants and awards to affiliates	34,865	....	....	34,865
Pass-through grants to affiliates	246,686	....	....	246,686
Travel	5,630	....	....	5,630
Conferences and events	77,232	....	....	77,232
Other affiliate-related	29,760	....	....	29,760
Total direct affiliate impact	394,173	....	....	394,173
Professional services	3,083	26,164	....	29,247
Office and operating	95,971	22,688	10,933	129,592
Travel	12,661	1,943	2,306	16,910
Marketing and promotion	11,793	....	4,416	16,209
Other	....	1,206	1,471	2,677
Depreciation	17,778	4,566	4,566	26,910
Total operating expenses	141,286	56,567	23,692	221,545
Total expenses	$ 1,478,325	$ 243,378	$ 186,175	$ 1,907,878

(The accompanying notes are an integral part of this financial statement)

World Youth Clubs, Inc.

Statement of Cash Flows
For the Year Ended December 31, 2025

Cash Flows from Operating Activities	
Change in net assets	$ 4,126
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	26,910
Abandonment loss on property and equipment	2,967
Amortization of right-of-use asset	374,410
(Increase) decrease in assets:	
Pledges receivable	(33,400)
Other receivables	6,244
Prepaid expenses	(10,222)
Deposits	5,194
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	29,963
Payroll liabilities	15,011
Obligation under operating lease	(398,764)
Net cash provided by (used in) operating activities	22,439
Cash Flows from Investing Activities	
Purchase of property and equipment	(53,611)
Cost of trademarks	(15,411)
Proceeds from sale of investments	972,709
Purchases of investments	(1,034,245)
Net cash provided by (used in) investing activities	(130,558)
Cash Flows from Financing Activities	....
Net Increase (Decrease) in Cash and Cash Equivalents	(108,119)
Cash and Cash Equivalents, Beginning of Year	246,092
Cash and Cash Equivalents, End of Year	$ 137,973

(The accompanying notes are an integral part of this financial statement)

NATURE OF ACTIVITIES

The World Youth Clubs, Inc. (the Organization) was organized on May 3, 2019 as a Florida non-stock corporation. Its mission is to develop, advance, and enhance global youth organizations that provide a positive environment and a safe place for young people around the world.

The Organization partners with local youth organizations globally to accelerate standards of operational excellence by improving operations, fund-raising, board governance, program implementation, and measurement. Youth development starts with investing in competent and committed professionals who create consistent developmental experiences within a safe adult-supervised environment, so every young person can reach their personal potential. The Organization is a membership-based organization, working with affiliate organizations to create the conditions, structures, and resources to build a global youth development movement where Organization members retain autonomy and receive technical assistance, access to a professional network, and other needed resources.

SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with U. S. generally accepted accounting principles (U. S. GAAP).

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) No. 958, *Not-for-Profit Entities*. Under this guidance, the Organization is required to report information regarding its financial position and activities according to two classes of net assets, as defined below:

> **Net assets without donor restrictions** include funds resulting from contributions and other inflows of assets whose use is not restricted by the donor.
>
> **Net assets with donor restrictions** include funds resulting from contributions and other inflows of assets whose use is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled by the actions of the Organization. This category also includes funds resulting from contributions or other inflows of assets whose use is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled by the actions of the Organization. Income from these funds is used according to the terms stipulated by the donor.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly-liquid debt instruments with a maturity of three months or less to be cash equivalents. Cash managed by the Organization's professional investment manager is excluded from cash and cash equivalents on the statement of financial position.

The Organization maintains its cash in bank deposit accounts that at times may exceed federally-insured limits and are subject to credit risk. The Organization has not experienced any losses in these accounts.

Pledges Receivable

Contributions are recognized when an unconditional pledge is received in accordance with U. S. GAAP. Pledges receivable that are expected to be collected within one year are recorded at their net realizable value. Pledges that are expected to be collected in future years are recorded at the present value of the amount expected to be collected, discounted for the time value of money. Pledges receivable at December 31, 2025 are expected to be collected within one year.

The Organization accounts for uncollectible pledges receivable by establishing an allowance for uncollectible amounts based on a review of pledges outstanding. Management determined that no allowance for uncollectible pledges was necessary as of December 31, 2025.

Conditional pledges receivable are not recorded as support until the conditions are substantially met. The Organization had no outstanding conditional pledges as of December 31, 2025.

Property and Equipment

Property and equipment are stated at cost, or estimated fair market value if donated. The Organization capitalizes all expenditures for items that exceed $2,500.

Property and equipment are depreciated using straight-line methods over the estimated useful lives of the assets. Management generally estimates useful lives of three to ten years for furniture and equipment. Leasehold improvements are depreciated over the life of the related lease.

Investments

Investments include cash and cash equivalents that are part of the Organization's investment pool. Investments in marketable equity and debt securities with readily-determinable fair values are reported at fair value in the statement of financial position, with gains and losses included in the statement of activity and changes in net assets. The fair values of investments are generally determined based on quoted market prices or estimates of fair value provided by external investment managers.

Fair Value

The FASB has established a framework for measuring fair value that expands disclosures about fair value measurements under U. S. GAAP.

The fair value framework requires the categorization of assets and liabilities into three levels based on the assumptions (inputs) used to price the assets or liabilities. Level 1 provides the most reliable measure of fair value, whereas Level 3 generally requires significant management judgment. The three levels are defined as follows:

Level 1   Unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2 Observable inputs other than those included in Level 1. For example, quoted prices for similar assets or liabilities in active markets or quoted prices for identical assets or liabilities in inactive markets.

Level 3 Unobservable inputs reflecting management's own assumptions about the inputs used in pricing the asset or liability.

Leases

The Organization leases office space. The Organization determines if an arrangement is a lease at inception. Operating leases are included on the statement of financial position under other assets as right-of-use assets under operating leases, and under current and long-term liabilities as obligations under operating leases.

Right-of-use (ROU) assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. If a lease is entered into that does not provide an implicit rate, the Organization either uses the risk-free rate or its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The Organization has elected to use the risk-free rate for its real estate lease. The lease terms may include options to extend or terminate the lease when it is reasonably certain the Organization will exercise those options. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Organization's lease agreement does not contain any material residual value guarantees or material restrictive covenants.

The Organization has a lease agreement that contains both lease and non-lease components. The Organization elects to account for lease components separately from non-lease components. Non-lease components, such as real estate taxes and operating expenses, are recognized as operating expenses in the period in which the obligation for those payments was incurred.

In evaluating contracts to determine if they qualify as a lease, the Organization considers factors such as if it has obtained substantially all of the rights to the underlying asset through exclusivity, if the Organization can direct the use of the asset by making decisions about how and for what purpose the asset will be used, and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

In allocating consideration in the contract to the separate lease components and the non-lease components, the Organization uses the standalone prices of the non-lease components. Observable standalone prices are used, if available. If the standalone price for a component has a high level of variability or uncertainty, this allocation may require significant judgment.

In determining the discount rate used to measure the right-of-use asset and lease liability, the Organization uses rates implicit in the lease, or if not readily available, the Organization uses its incremental borrowing rate. The Organization may elect, by class of underlying asset, to use a risk-free discount rate for the lease instead of its incremental borrowing rate, determined using a period comparable with that of the lease term. The Organization’s incremental borrowing rate is based on an estimated secured rate composed of a risk-free rate plus a credit spread as secured by the Organization’s assets. Determining a credit spread as secured by the Organization's assets may require significant judgment.

Intangible Assets - Trademark Registration

During the year ended December 31, 2025, the Organization incurred legal fees and United States Patent and Trademark Office (USPTO) filing fees directly related to the filing and registration of certain trademarks. As of December 31, 2025, the Organization had three trademark applications in process with the USPTO and expects to incur additional legal fees during 2026 to complete the registration process. Management expects the applications to be accepted by the USPTO by the end of 2026. The three marks are intended for use in various activities, including marketing materials, use by affiliates, apparel, and other related branding opportunities.

Upon issuance of the applicable registration certificates by the USPTO, the Organization will amortize the related intangible assets on a straight-line basis over the trademark registration lifespan of 10 years.

Policy Disclosure

The Organization reports gifts of cash and other assets as support without or with donor restrictions, depending on the existence and/or nature of any donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activity and changes in net assets as net assets released from restrictions.

The Organization reports gifts of land, buildings, and equipment as support without donor restrictions, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. In the absence of explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Donated Materials and Services

The Organization records the value of donated goods and professional services when there is an objective basis available to measure their value and the services received require specialized skills. Contributions are recorded at estimated fair value at the date of donation, and are reported as expense when utilized.

No amounts have been reflected in the financial statements for donated services that do not require specialized skills since there is no objective basis to measure the value of such services.

WORLD YOUTH CLUBS, INC.

NOTES TO FINANCIAL STATEMENTS

Functional Allocation of Expenses

The costs of providing program and supporting services have been summarized on a functional basis in the statement of functional expenses. Expenses require allocation on a reasonable basis that is consistently applied. Payroll expenses are allocated on the basis of staff time and effort. Other expenses are allocated by management based on the underlying nature of the transactions.

Advertising Costs

The Organization expenses the costs of advertising as incurred. Advertising costs were $16,209 for the year ended December 31, 2025.

Accounting Estimates

The preparation of financial statements in conformity with U. S. GAAP requires management to make estimates and assumptions that affect reported amounts and disclosures. Actual results could differ from those estimates.

Exempt Tax Status

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization 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).

Uncertain Tax Positions

The Organization has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with guidance established by the FASB and determined that there are no uncertain tax positions that would have a material impact on the financial statements of the Organization.

Subsequent Events

Management has evaluated subsequent events through August 7, 2026, which is the date the financial statements were available to be issued.

INVESTMENTS

The carrying amounts and fair values of the Organization's investments at December 31, 2025 are as follows:

	FAIR MARKET VALUE				
	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL	COST
Cash and cash equivalents	$780,926	$	$	$780,926	$780,926
Total investments	$780,926	$	$	$780,926	$780,926

During the year ended December 31, 2025, there were no changes to the classification among categories.

WORLD YOUTH CLUBS, INC.

NOTES TO FINANCIAL STATEMENTS

Net investment income is composed of the following for the year ended December 31, 2025:

Interest and dividends	$ 24,684
Fees	(2,709)
Net investment income	$ 21,975

LEASE COMMITMENTS

The Organization leases its Florida office space under an operating lease that began on February 1, 2021, and was extended through March 31, 2029. The lease contained a five-year renewal option that was not factored into the ROU asset and lease liability at implementation, as it was not reasonably certain that the renewal option would be executed at that time. During the year ended December 31, 2025, the Organization began negotiations to terminate the lease effective January 2026. Accordingly, the ROU asset and lease liability were remeasured as of December 31, 2025, and the related security deposit of $5,194 was determined to be impaired. The settlement agreement was reached on March 2, 2026, and a termination fee of $24,247 was paid.

The components of lease expense are as follows for the year ended December 31, 2025:

Operating lease cost	$ 79,020

The weighted-average remaining lease term and discount rate for the operating lease were as follows at December 31, 2025:

Weighted average remaining lease term	0.08 years
Weighted average discount rate	4.02%

The following is a schedule by year of future minimum payments required under the lease, together with the total present value as of December 31, 2025:

YEAR ENDING DECEMBER 31,	OPERATING LEASES
2026	$ 8,082
Total minimum payments	8,082
Less: Present value discount	(758)
Present value of minimum lease payments	7,324
Less: Current portion	(7,324)
Non-current portion	$ ....

Effective February 1, 2021, the Organization entered into a sublease agreement for a portion of the Florida office. The original term of the sublease was for the same period as the operating lease, but was terminated as of December 31, 2021. The sublease resumed in February 2023 under the same terms as the operating lease, through March 31, 2026. The sublease was terminated December 31, 2025.

Sublease revenue was $11,784 for the year ended December 31, 2025 and is included in other income on the statement of activity and changes in net assets.

The Organization entered into a new office lease commencing on January 1, 2026 for a three-year term.

Retirement Plan

The Organization adopted a defined contribution retirement plan, as amended, effective July 1, 2021, that provides matching contributions. All employees are eligible to participate in the plan. The Organization provided matching contributions of $13,508 for the year ended December 31, 2025.

Concentrations

For the year ended December 31, 2025, the Organization received approximately 71% of contribution revenue from two donors.

Related Party Transactions

The sublease agreement referenced in the **Lease Commitments** note is with the private foundation of a member of the Board of Directors.

A Board member is employed by the investment management firm used by the Organization.

Liquidity and Availability

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds.

The Organization strives to maintain liquid financial assets sufficient to cover 180 days of general expenditures. Financial assets in excess of cash requirements are invested in certificates of deposit, money market funds, and other short-term investments.

For purposes of analyzing resources available to meet general expenditures over a 12-month fiscal period, the Organization considers all expenditures related to its ongoing activities of supporting affiliate member organizations, educating youth development professionals, and advocating on behalf of the profession as a whole. In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates within an annual budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. The Board of Directors has approved continued monthly draws of $60,000 from its investments.

Financial assets available for general expenditure within one year as of December 31, 2025 are as follows:

Cash and cash equivalents	$137,973
Pledges receivable	41,400
Other receivables	3,133
Investments	780,926
Total available for general expenditure	$963,432