

Nepal Youth Foundation
Combined Financial Statements
Year ended June 30, 2024
with
Report of Independent Auditors



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Report of Independent Auditors

To the Board of Directors
of the Nepal Youth Foundation

Opinion

We have audited the accompanying combined financial statements of the Nepal Youth Foundation (a nonprofit organization) and the Nepal office of the Nepal Youth Foundation, which comprise the combined statement of financial position as of June 30, 2024, and the related combined statements of activities 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, based on our audit and the report of the other auditors, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Nepal Youth Foundation and affiliates as of June 30, 2024, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Nepal office of the Nepal Youth Foundation, registered as an international non-governmental organization, which statements reflect total assets of \$194,423 as of June 30, 2024, total support and revenues of \$8,504 and total expenses of \$2,236,572 for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Nepal Youth Foundation, is based solely on the report of the other auditors.

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 the Nepal Youth Foundation and affiliates 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.

Adoption of New Standard

As discussed in Note 12 to the financial statements, Nepal Youth Foundation has adopted ASU 2016-13, *Financial Instruments-Credit Losses (topic 326): measurement of Credit Losses on Financial Instruments*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Nepal Youth Foundation's ability to continue as a going concern within one year after the date that the combined 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 combined 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 combined 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 combined 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 the Nepal Youth Foundation'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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Nepal Youth Foundation'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.

Report on Summarized Comparative Information

We have previously audited the financial statements of the Nepal Youth Foundation as of and for the year ended June 30, 2023, and in our report dated May 16, 2024, we expressed an unmodified opinion. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

WMB², LLP

WMB², LLP
Larkspur, California
April 18, 2025

Nepal Youth Foundation
Combined Statement of Financial Position
As of June 30, 2024 with comparative totals only as of June 30, 2023

	U.S.A.	Nepal	2024 Totals	2023 Totals
Assets				
Current assets				
Cash and cash equivalents	\$ 669,977	\$ 254,635	\$ 924,612	\$ 657,173
Short-term investments	1,661,895	-	1,661,895	1,666,747
Contributions receivable	204,250	-	204,250	152,648
Inter-agency receivable/payable	87,025	(87,025)	-	-
Other receivables	1,916	-	1,916	-
Prepaid expenses	13,041	-	13,041	9,085
Total current assets	2,638,104	167,610	2,805,714	2,485,653
Non-current assets				
Long-term investments	1,063,394	-	1,063,394	1,050,983
Contributions receivable - long term	64,910	-	64,910	88,557
Property and equipment, net	8,936	-	8,936	16,778
Operating lease right-of-use asset	22,026	-	22,026	34,102
Other assets	33,150	-	33,150	33,150
Deposits	860	26,813	27,673	1,745
Total non-current assets	1,193,276	26,813	1,220,089	1,225,315
Total assets	\$ 3,831,380	\$ 194,423	\$ 4,025,803	\$ 3,710,968
Liabilities and net assets				
Current liabilities				
Accounts payable	\$ 22,548	\$ 9,618	\$ 32,166	\$ 12,382
Accrued expenses	22,462	-	22,462	17,318
Operating lease liability	13,004	-	13,004	12,636
Total current liabilities	58,014	9,618	67,632	42,336
Long-term liabilities				
Long-term operating lease liability	10,002	-	10,002	23,006
Pension liability	-	19,993	19,993	18,114
Total long-term liabilities	10,002	19,993	29,995	41,120
Total liabilities	68,016	29,611	97,627	83,456
Net assets				
Without donor restrictions	2,083,061	164,812	2,247,873	2,216,242
With donor restrictions	1,680,303	-	1,680,303	1,411,270
Total net assets	3,763,364	164,812	3,928,176	3,627,512
Total liabilities and net assets	\$ 3,831,380	\$ 194,423	\$ 4,025,803	\$ 3,710,968

See accompanying notes.

Nepal Youth Foundation
Combined Statement of Activities and Changes in Net Assets
For the year ended June 30, 2024 with comparative totals only for the year ended June 30, 2023

	Without donor restrictions		With donor	2024 Totals	2023 Totals
	U.S.A.	Nepal	Restrictions U.S.A.		
Support and revenue					
Grants and contributions	\$ 1,591,683	\$ (12,669)	\$ 1,044,280	\$ 2,623,294	\$ 2,347,240
Net investment return	352,294	-	13,954	366,248	208,012
Special event, net of direct donor benefit costs of \$40,006	319,053	-	-	319,053	248,393
In-kind contributions	3,456	-	-	3,456	43,747
Other income	816	151	-	967	-
Net assets released from activity restrictions	768,179	21,022	(789,201)	-	-
Total support and revenue	3,035,481	8,504	269,033	3,313,018	2,847,392
Expenses					
Program services	34,758	2,073,805	-	2,108,563	1,954,489
Supporting services					
Management & Administration	303,457	69,762	-	373,219	276,934
Fundraising	437,567	93,005	-	530,572	381,825
Total expenses	775,782	2,236,572	-	3,012,354	2,613,248
Change in net assets	2,259,699	(2,228,068)	269,033	300,664	234,144
Transfers of net assets	(2,289,868)	2,289,868	-	-	-
Net assets, beginning of year	2,113,230	103,012	1,411,270	3,627,512	3,393,368
Net assets, end of year	\$ 2,083,061	\$ 164,812	\$ 1,680,303	\$ 3,928,176	\$ 3,627,512

See accompanying notes.

Nepal Youth Foundation

Combined Statement of Functional Expenses

For the year ended June 30, 2024 with comparative totals only for the year ended June 30, 2023

Expenses	Program Services		Supporting Services				2024 Totals	2023 Totals
	U.S.A	Nepal	Management & Admin		Fundraising			
			U.S.A	Nepal	U.S.A	Nepal		
Salaries	\$ 27,584	\$ 98,576	\$ 139,235	\$ 39,514	\$ 285,406	\$ 55,476	\$ 496,464	
Payroll taxes and benefits	2,132	17,578	39,030	7,807	21,644	9,964	73,367	
Professional fees	590	15,032	88,983	1,551	33,966	-	157,967	
Occupancy - lease costs	979	-	4,795	1,071	8,888	-	19,083	
Communications	1,516	-	7,418	755	13,751	492	10,515	
Cloud services	354	-	1,733	-	4,124	-	286	
Postage and shipping	47	-	233	-	2,130	-	1,967	
Supplies	383	20	1,874	1,775	5,002	374	11,470	
Equipment rental and maintenance	-	-	-	1,260	-	-	1,783	
Insurance	208	-	3,803	765	1,887	-	6,533	
Taxes, licenses and dues	31	-	150	3,940	10,797	-	2,821	
Bank fees	-	-	646	-	10,822	-	11,914	
Printing and publications	13	-	59	2,102	16,090	-	17,855	
Travel	390	457	2,170	4,916	17,628	25,341	34,358	
Promotion	7	99	7,899	17	678	1,358	2,250	
Staff development	-	-	700	-	-	-	2,558	
Grants	-	1,948,331	-	-	-	-	1,734,452	
Direct client support	-	2,350	-	-	-	-	1,441	
Depreciation and amortization	524	-	2,564	-	4,754	-	6,732	
Miscellaneous	-	(8,638)	2,165	4,289	-	-	19,432	
Total expenses	\$ 34,758	\$2,073,805	\$ 303,457	\$ 69,762	\$ 437,567	\$ 93,005	\$2,613,248	

See accompanying notes.

Nepal Youth Foundation
Combined Statement of Cash Flows
For the year ended June 30, 2024 with comparative totals only for the year ended June 30, 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Change in net assets	\$ 300,664	\$ 234,144
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Contributed investments	161,311	134,252
Realized and unrealized loss (gain) on investments	(299,449)	(168,115)
Depreciation and amortization	7,842	6,732
Amortization of discount on promises to give	(2,353)	1,306
Non cash portion of the lease expense for operating leases	12,076	11,718
Changes in current assets and liabilities		
Contributions receivable	(25,602)	(56,482)
Prepaid expenses	(3,956)	(6,433)
Accounts payable	19,784	(59,444)
Accrued expenses	5,144	(14,524)
Repayment of lease liability - operating lease	<u>(12,636)</u>	<u>(10,178)</u>
Net cash provided by operating activities	160,909	72,976
Cash flows from investing activities		
Purchase of investments	(828,903)	(2,030,110)
Proceeds from sale of investments	959,482	2,069,982
Purchase of equipment	-	(4,997)
Net change in deposits	(25,928)	6,324
Net change in pension liability	<u>1,879</u>	<u>3,986</u>
Net cash provided by investing activities	<u>106,530</u>	<u>45,185</u>
Change in cash and cash equivalents	267,439	118,161
Cash and cash equivalents, beginning of year	<u>657,173</u>	<u>539,012</u>
Cash and cash equivalents, end of year	<u>\$ 924,612</u>	<u>\$ 657,173</u>
Noncash investing and financing activities		
Establishing of operating right-of-use asset	\$ -	\$ 45,820
Establishing of operating lease liability	-	47,920

See accompanying notes.

Nepal Youth Foundation
Notes to Combined Financial Statements
June 30, 2024

Organization and Programs

The Nepal Youth Foundation (NYF) was incorporated in California on June 26, 1990 and operates as a nonprofit public charity through its office in San Francisco, California with its Country Office in Kathmandu, Nepal. The Nepal Youth Foundation offers hope and opportunity to Nepal's most impoverished children by providing them what is every child's birthright: Education, Health, Shelter, and Freedom. The programs of NYF are:

Education Programs

In over three decades of operation, NYF has grown into one of Nepal's largest non-governmental scholarship providers. Today, our education programs encompass grades K-12, college, medical school and graduate school, vocational education scholarships, and world-class vocational education trainings and certifications.

We are focused on ensuring these opportunities go to students facing remarkable obstacles, including casteism, sexism, financial hardship, discrimination based on disability, and more. Our students receive scholarships, as well as trouble-shooting support from our social workers to ensure they can succeed.

NYF's **Scholarship Program** is at the heart of its mission, supporting students from grade school to graduate school. NYF believes that all children should be able to access a quality education and be empowered to pursue their dreams. Scholarships provide more than just financial aid: NYF social workers give students personal guidance, housing, medical care, psychological counseling, and support schools in improving educational infrastructure.

Day School Scholarships are awarded to students K-12 whose families are unable to afford the expenses associated with school attendance, like notebooks, uniforms, and kerosene for doing homework after dark.

Boarding School Scholarships are for those who need total support for education, housing, and other expenses. In most cases, these needs arise when an older child—usually high-school aged—experiences a hardship that leaves them without parents or a stable home. For these students, boarding school is a less disruptive option developmentally than late entrance into a children's home might be, and allows the student to maintain a sense of normality alongside friends and peers whose guardians have decided to scaffold the transition towards adulthood in this way.

Nepal Youth Foundation
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Education Programs (continued)

Scholarships for Students with Disabilities—those with deafness or blindness, chronic health problems, mobility challenges, or other physical limitations—combat particularly strong systemic barriers in Nepal’s society. Frequently they are treated as though they are far less capable than they are. However, once given the chance to pursue their educations, these remarkable students shine.

College Scholarships are available for students in college, graduate school, medical school, and other higher-education programs. Most of these students have scored well enough on nationwide entrance examinations to earn highly competitive full-ride academic scholarships from the Nepali government—but are unable to accept due to the expenses associated with rent, school supplies, lab fees, transportation, tutors, meals, and living costs. NYF scholarships provide these deeply motivated students with quarterly stipends for their living expenses, allowing them to accept the government scholarships they have earned and focus on their studies.

NYF’s **Vocational Education and Career Counseling Program (VECC)** began in 2007 and helps link motivated young adults with the holistic resources and training they need to start lucrative careers in Nepal’s growing economy—starting each on his or her pathway to an empowered future.

The VECC program provides services including vocational training scholarships, job placement support, entrepreneurship classes, start-up microgrants, resume-writing support, job interviewing feedback, life skills workshops, basic computer training, and connections to other young adults on similar paths towards personal economic empowerment. This team also coordinates the world-class vocational education training and certification courses offered through NYF’s Olgapuri Vocational School, helping students seize career opportunities in Nepal’s growth sectors.

Olgapuri Vocational School (OVS) provides three-month training courses in high-demand trades including electrical, plumbing, welding, carpentry, and industrial tailoring (growth sectors in Nepal’s economy and developing infrastructure). Those in this program receive intensive skills training from expert instructors, entrepreneurship guidance (material sourcing, networking, site selection, pricing, product sales, and more), resume-building and job search support, and connections to other young adults on similar paths. Certifications earned through OVS are recognized in areas throughout Nepal as signifiers of excellence. Beginning in mid-2020, training courses have been offered both on-site at NYF’s Lalitpur vocational school and in “satellite” form in rural areas through Nepal.

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Education Programs (continued)

Special vocational programs are available to Tharu women from Western Nepal who were impacted by our tremendously successful **Empowering Freed Kamlaris** program which freed nearly 13,000 young women from kitchen slavery between 2000 and 2020. Most of these women join our “Tea and Snacks Shop” training program, which teaches the principles of small business ownership and provides start-up funds for each woman to open her own roadside business. Part of the training includes learning to cook over 30 different beloved delicacies—momo (Nepali dumplings), noodles, mouthwatering sweet pastries and treats, soup, doughnuts, tea, coffee, and more. By setting up shop near a local construction site, market, or other busy spot, graduates of this program quickly gain popularity and become a go-to source of that midday calorie boost!

Training also includes information on decision making and the importance of financial freedom and access for women—and these young entrepreneurs take this knowledge to heart. Graduates of this program have used their proceeds to buy livestock, to purchase farmland outright, or to educate their younger siblings. Some have even hired their parents or husbands to run secondary locations!

Other training programs include nontraditional agriculture courses for crops including mushrooms and henna.

The **Sustainable Agriculture and Entrepreneurship Training** project (SAAET), which teaches groups of young women sustainable agricultural business practices in greenhouse technology: how to build and maintain simple greenhouses, use best organic farming practices within them, and to run a greenhouse-based business. (“SAAET” in Nepali means, auspicious moment of starting a new journey.)

In the spring of 2022, NYF prepared to launch the **Educating Dalit Lawyers program (or EDL)**, an enriched law school scholarship program designed especially for graduating high schoolers from Nepal’s Dalit community, formerly known as the “untouchable” castes. These bright young scholars have grown up watching their communities and families experience caste-based discrimination and injustice. From their earliest days, they’ve heard damaging messages about themselves, and have endured small and large acts of systemic oppression. Each knows countless stories of violence, neglect, and exploitation of people just like them. NYF will begin recruiting potential candidates in the summer of 2022. Students in this program will receive:

Nepal Youth Foundation
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Education Programs (continued)

1. **Full-ride scholarship support** as they pursue Nepal's 5-year Bachelor of Legislative Law, or LLB, degree (the degree required to become a lawyer in Nepal) in some of Nepal's best colleges;
2. **Accommodation and food stipends;**
3. Extracurricular opportunities including **fieldwork** and **participation in human rights programs;**
4. **Mentorship opportunities with successful human rights lawyers;**
5. **Leadership training;**
6. Opportunities to **observe Nepal's legal system in action;**
7. **Introductions to legislators and other Nepali leaders;**
8. Internship placement support.

Support will continue as students **prepare for and sit for the Nepali Bar Exam.**

Health Programs

So much of a child's future is expanded or limited based on his or her health in those first, formative years. Brain development, bone strength, emotional resiliency, personality—even eyesight and coordination—all are strongly impacted by a family's access to healthcare, home health education, and nutritious food. Among Nepal's children, malnutrition is linked to widespread health issues, including far too many early deaths. The Nepali government is working hard to address this issue throughout the country, and NYF is proud to be part of Nepal's remarkable journey towards greater pediatric health.

Between 1998 and 2017, NYF built 17 **Nutritional Rehabilitation Homes (NRHs)** throughout the country. These clinics, each located near a government-run hospital, provide residential care, usually for four to six weeks, for children experiencing malnutrition, as well as their caregivers.

Nepal Youth Foundation
Notes to Combined Financial Statements
June 30, 2024

Health Programs (continued)

Operating from our belief in a family's ability to sustain their children's health when given the right tools and information, staff at NRHs provide personalized nursing and nutritional care to the children, helping them healthily gain weight, muscle, and stamina, while providing hands-on training for the caregivers in topics like home health care, hygiene, and nutritional meal prep. When assessed six months after discharge, over 90% of the children served at an NRH have sustained or improved upon their nutritional gains, with some children being almost unrecognizable by the field staff conducting follow-ups. Caregivers are empowered to provide better nutrition to their entire families (themselves included!), and often share their knowledge with neighbors and relatives.

All but one of the 17 NRHs built by NYF are now funded and run entirely by the Nepali hospital system. This is by design. As each NRH was constructed, NYF and Nepal's government committed to gradually transitioning each facility into Nepal's medical infrastructure over the course of five years, with detailed agreements in place to ensure good governance and continued success. For example, all NRH staff are vetted and trained by the NYF nutrition experts at our flagship Kathmandu Valley NRH.

The Kathmandu Valley NRH will always be owned and operated by the Nepal Youth Foundation. This facility is funded by donations and grants.

Meanwhile, the NRH model has been so successful that Nepal's government has begun constructing their own NRHs without any funding assistance from NYF, with hospitals in remote regions submitting applications to the government requesting these facilities on their grounds.

Our Kathmandu Valley NRH is known in Nepal's medical circles as a leader in best practices for addressing childhood malnutrition. Besides training prospective NRH staff members from across the country, the facility also regularly provides special training workshops for health workers and medical students interested in focusing on nutrition issues. Childcare workers, teachers, and others may also take part in similar workshops. Certifications earned here are well-respected throughout Nepal.

Since 2011, **Nutritional Outreach Camps** have taken nutritional intervention into remote regions, providing free medical check-ups, nutritional assessment, and care to children, as well as focused, practical education for caregivers, with emphasis on nutrition and hygiene.

Nepal Youth Foundation
Notes to Combined Financial Statements
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Health Programs (continued)

Each two-day camp serves approximately 500-1,000 children, nearly two-thirds of whom are age five or under. Most of them arrive having walked over two hours to attend. Children are screened for their nutrition status based on WHO guidelines. Each child is also given a full check-up by a pediatrician—often their first visit with a medical professional—and parents are encouraged to voice any concerns or questions they may have about their child’s health. At each of these events, team doctors came prepared to distribute vitamins, as well as medicines to address common complaints, including skin problems, fevers, and gastroenteritis. Lito was distributed widely in connection with NYF’s Lito for Life COVID response program.

Our Nutritional Outreach Camps are often held in partnership with district- and municipality-level NGOs, with participation from local governments.

The **New Life Center (NLC)** is a safe, nurturing temporary recovery space for rural families visiting Nepal’s capital city of Kathmandu for critical medical treatment and surgery, especially for children and expectant mothers.

NLC was originally created in 2006 as a specialized care home for children living with HIV/AIDS. Over the next 17 years, Nepal’s excellent progress in slowing the virus’ rate of mother-to-child transmission, along with NLC’s success for the HIV community resulted in a reduced need for a specialized facility exclusively for children living with the virus. This tremendous success meant that we could open the space to a wider population of children in need of medical support. In 2023, the New Life Center’s mission expanded to include children and families traveling to Kathmandu for all kinds of life-changing medical care, including HIV, but no longer limited to it. The NLC allows children from some of Nepal’s most remote regions to access their right to healthcare—improving health and wellbeing for life.

Most of Nepal’s hospitals—especially those offering specialized treatments—are centralized in Kathmandu. A recent study showed that 57% of Kathmandu patients have traveled for treatment from more rural areas. This is a devastating expense for many families.

Children and their caregivers stay at the New Life Center for an average of 15 days - the typical duration required for follow-up and recovery from the acute medical conditions and procedures we typically see. During their stay, they receive individualized, supportive care free of charge, including monitoring from nurses, nutritious meals created under the recommendation of our dieticians, emergency

Nepal Youth Foundation
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Health Programs (continued)

support and ambulance service where needed, psychological counseling as-needed, and practical, supportive advice from our staff on how to understand and implement their doctors' discharge instructions at home.

Although public hospitals in Nepal offer relatively subsidized health services, healthcare expenses in Nepal are fully out-of-pocket. This means that a surgeon will perform an operation at low cost, but tangible items like surgical supplies, food, medicine, IV fluids, casts, and medical implants like stents, pins, plates, and mesh must be purchased outright by the patient.

Many Nepali families sell property or take out loans—often with predatory interest rates - to manage these expenses. Over 11% of Nepali households can name catastrophic health expenditures as an obstacle in their journey out of poverty. Many of the students in our **scholarship programs** and in **Kinship Care**, and many of the kids at **Olgapuri Children's Village**, have witnessed this cycle first-hand in their own families.

In many cases, the medical expenses themselves would be manageable—but travel expenses like transportation, food and drink, and temporary accommodation while waiting for test results or during recovery are not.

As a result, many families either forego treatment altogether, spend post-operation time sleeping out-of-doors with limited food, or return to their villages without completing their treatment and important follow-ups. This results in increased risk of complications, re-injury, infection, preventable disability, and even death. At minimum, it results in an excruciating journey home and a slower recovery rate for patients who were not able to focus on healing sufficiently before traveling.

The New Life Center offers a solution for about 50 patients and their caretakers per year, based on their financial need, by providing them with a safe place to stay during their medical visit to Kathmandu. Our patients are provided with transportation to and from the hospital, nutritious food, a safe and clean place to sleep, hygiene kits, and personalized nursing support to ensure the best possible outcomes for their children. They also receive information on topics like nutritional care, home health and hygiene, breastfeeding, HIV/AIDS awareness and prevention, women's health, and family planning.

In extreme cases, NYF even covers the transportation costs for the journey home.

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Health Programs (continued)

New Life Center patients are:

- Children who have been discharged from the hospital but must return for follow-up treatment within a couple of weeks.
- Patients waiting for test results which may result in further treatment.
- Kids experiencing malnutrition who must attain a safe weight before a crucial surgery.
- Children with health conditions requiring specialized recovery support, including individualized training for caregivers.
- Pregnant women who are waiting to go into labor so they can give birth in a hospital.
- Postpartum women (especially post C-section women) who are waiting for follow-up appointments and healing for travel.

Patients may stay at the center as they prepare for forthcoming treatment and surgeries; they may also remain here while healing and waiting for follow-up treatments. They are referred by hospitals and clinics, other nonprofit organizations, and through word-of-mouth.

The New Life Center empowers children and families to access life-transforming medical care, to heal thoroughly without dangerous complications, and to live full, rich, joyful lives free of the long-lasting burden of crushing medical debt.

NYF's **Ankur Counseling Center** is Nepal's first counseling center for children, and it is leading the way in introducing crucial psychological care to children and families. Almost every NYF program involves services provided through Ankur, including group therapy for mothers living with HIV, routine individual therapy for the children at Olgapuri Children's Village, and goal setting workshops for young women in vocational training programs.

Using proven techniques like sand play therapy, cognitive behavioral therapy, and creative movement therapy, Ankur helps children coping with issues ranging from trauma, grief, and loss to struggles like ADHD, anxiety, and low self-esteem. Age-appropriate workshops are available on subjects including life skills, bullying, self-care, sexuality, drug abuse, stress management, and more.

Nepal Youth Foundation
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Health Programs (continued)

Like the Kathmandu Valley Nutritional Rehabilitation Home, Ankur Counseling Center is also a teaching resource for Nepal's future child psychologists, social workers, and therapists. Some of the work here is performed by interns selected through a competitive application process to be trained and overseen by our own therapists. These interns are college students majoring in psychology and social work, each of whom is hoping to establish a career helping Nepali children and families just like we do. Some of these interns receive college credit for the work performed at Ankur, and in all cases, time spent interning here carries significant prestige in Nepal's mental health community.

Shelter Programs

Every child's journey begins at home - ideally one that is safe, stable, and led by adults providing love, attention, and guidance as well as necessities like food, clothes, and healthcare. Unfortunately, for many different reasons, children too often find themselves without safe shelter and capable guardians, denying them the sturdy foundation needed for healthy development into a thriving adulthood. In Nepal, the social safety net is extremely limited for these children.

NYF has been providing shelter for children in such circumstances since 1992, when we opened J House, a small home for boys in Kathmandu (K House opened for girls in 1994). Our work has only expanded in the years since.

NYF's **Kinship Care program** keeps children with their families by providing loving, stable family members with the financial scaffolding needed to ensure these children are safe, well-fed, receiving necessary medical care, and most of all, attending school. Our social workers keep in touch with these families, ensuring that the needs of the children are being met, and making any adjustments as needed.

Studies have shown that children displaced from their parents—for any number of reasons—fare better psychologically when cared for by extended family members than they do when placed with strangers or in institutional care. Wherever possible, Kinship Care is NYF's preferred response to such situations. In some situations, Kinship Care also supports children living with single mothers.

When NYF learns of a child experiencing housing insecurity or other similar trouble, our social workers search first for a loving, stable adult in that child's extended family—a

Nepal Youth Foundation
Notes to Combined Financial Statements
June 30, 2024

Shelter Programs (continued)

grandparent, aunt or uncle, adult sibling, or other person—who wants to provide a home for that child. Keeping a child within this social support network minimizes loss (so children who have lost parents have not lost their entire families, their friends, and their familiar environments as well) as well as maintaining emotional connections and stability. This solution is the least disruptive to a child's development.

Sometimes, despite everyone's best intentions, extended family support is not possible for a child experiencing loss, neglect, housing insecurity, or other hardships. For these children, NYF built Olgapuri Children's Village.

Olgapuri Children's Village ("Olga's little oasis"—a name chosen by the campus's first young residents in 2016) is a beautiful, permanent, family-style home for up to 80 children aged 2 to 18 at a time.

Olgapuri is at the heart of NYF's programming, providing services in all four of our core mission areas: Education, Health, Shelter, and Freedom. The children here come from diverse backgrounds, but each of them has experienced trauma, loss, and the absence of stable parental support. At Olgapuri, NYF ensures that each child receives the holistic family-style care they need to grow into their dreams and realize their great individual potential.

Kids at Olgapuri live in one of four houses—Junior Girls, Senior Girls, Junior Boys, and Senior Boys—each of which has room for 20 individuals. Each house has a set of "parents" (all married couples) who are supported in providing the personalized attention and loving care each child needs.

The enclosed Olgapuri campus is staffed by a phenomenal team of passionate, loving men and women, each of whom brings unique skills and experience to the work done here. Children here enjoy facilities like a basketball court, a library, a sprawling vegetable garden, and more to encourage physical and mental well-being.

Olgapuri's young residents are enrolled at some of the best public and private schools in Nepal: Adarsha School, Phoenix School, and Ullens School. Children who are interested may also take music lessons on weekends, and many of the children do.

Ensuring healthy growth and development is a major focus at Olgapuri, whether for children experiencing routine bumps, bruises, and the sniffles, or for those with special health care needs. Fresh, balanced meals are prepared on-site with the support of

Nepal Youth Foundation
Notes to Combined Financial Statements
June 30, 2024

Shelter Programs (continued)

NYF's team of nutritionists (supplemented with delicious organic milk, eggs, and vegetables from the Olgapuri farm!), and house parents take care to encourage regular exercise and to support age-appropriate hygiene habits.

One of the key services at Olgapuri is the world-class psychological care provided by NYF's Ankur Counseling Center. The children living at Olgapuri have each experienced unique losses and challenges. Many of them, understandably, come to us struggling with issues around trust, abandonment, emotional security, attachment, and more.

Happy childhood memories often grow around recreational and cultural activities within the broader community: art, leisure, sports, festivals, rituals, and more. Many of the children who have grown up in NYF's children's homes look back fondly on the celebrations enjoyed here, identifying these as part of what makes these homes a real family environment. NYF is especially committed to connecting the children to the rest of Nepali society, their history, and the individual regional cultures they come from.

Caste Equality Project

NYF's newest and most ambitious initiative to date, the **Caste Equality Project (CEP)** is a holistic, community-based package of programs (based on our existing programs as well as our historical successes) aiming to empower members of Nepal's Dalit castes (historically seen as "untouchable") to access opportunities needed to thrive as members of their broader society, defend their human rights, build prosperity, participate in social development and positive change, and dismantle the systems of oppression standing between their communities and the safe, dignified lives that are their birthright. We anticipate that, like our extremely successful **Empowering Freed Kamlaris** program, the CEP will run for 20 years or more as we work with these communities to build sustainable change.

In mid-2022, NYF launched **Phase I: Educating Dalit Lawyers**, an enriched law school scholarship program designed especially for graduating high schoolers from Nepal's Dalit communities. This program is serving 31 students in Nepal's top three law schools; these young people will become human rights lawyers who will eventually fight for the rights of Dalit individuals in Nepal's courts.

In mid-2023, following four impactful fact-finding Nutrition Outreach Camps in Saptari District, NYF launched **Phase II: Saptari District**. This phase represents the beginning of the main work of the CEP, in which we are embedding in the communities experiencing the worst conditions in Nepal to begin the complex, multi-pronged project

Nepal Youth Foundation
Notes to Combined Financial Statements
June 30, 2024

Caste Equality Project (continued)

of sustainably empowering the next generation. Our team is currently piloting this work in a handful of Dalit-majority villages in Tirhut Rural Municipality, Saptari District, Nepal, with the intention of gradually scaling into as many villages as is sustainable for our organization.

Between the summers of 2023 and 2024, our team presented multiple programmatic options to local stakeholders, leaders, and beneficiaries, with a high focus on those programs with immediate, visible benefits, in order to build the trust needed to achieve community buy-in and participation.

So far, we have successfully launched a Street Drama Activism program (10 young women trained are using street drama to raise awareness of the perils of child marriage and the traditional dowry system), a Peer Counseling program (30 young women have received support group training from Ankur Counseling Center and have begun leading monthly support groups with 70 attendees so far), and a massive School Enrollment Campaign which has seen school attendance rise from around 250 elementary schoolers to over 820.

In 2024 and 2025, we began building two village-based Community Learning Centers (CLC) which will house many of NYF's CEP programs including **Early Childhood Care** for toddlers up to 3.5 years of age, **After School Support** for children from preschool through 12th grade, **Back-to-School Bridging Courses** for teenagers who have dropped out of school but wish to re-enroll, and **Adult Literacy Courses** for adult women under age 40). Lessons learned during this first year will inform program refinement and rollouts as we scale the CEP into more villages in the coming years - with the goal to build and begin running ten CLCs total by 2030.

Our CLCs include teaching and meeting space, furnished kitchens, up-to-date restrooms (rare in these communities), and offices for our village-based CEP staff members. Each facility is built in a central location that is safely and easily accessible to small children walking on foot, providing a social space that keeps them safe from monsoon rains, brutal summer heat, wildlife, and other dangers.

CLCs will provide play-based educational **Early Childhood Care** (all day) and **After School Support** to school children (afternoons), to empower working parents while promoting healthy learning. This especially benefits older sisters who often miss class to provide childcare. Centers provide an alternative, allowing girls to stay in school. Older children will receive after-school homework help and tutoring.

Nepal Youth Foundation
Notes to Combined Financial Statements
June 30, 2024

Caste Equality Project (continued)

The **Early Childhood Care** program held at the CLCs is for children from infancy through age three and a half and will use a play-based curriculum designed to prepare children to enter Nepal's publicly available preschool program, which serves kids 3.5 – 5 years of age. NYF is currently also working with local schools to revitalize this preschool program, but this portion of the CEP does not fall under this proposal.)

In the first years, we will also provide **Back-to-School Bridging Courses** to kids reentering school after years of low attendance. Many teens will not be able to read but will not wish to attend classes with small children. Bridging courses provide a rapid foundation, prepping students to re-enter school with older children. Material covered includes mathematics, Nepali, English, science, social studies, and health sciences, all based on the government curriculum for each grade. The goal is for each student to reenter school at as high a grade as possible depending on their age and capacity. For example, a student who dropped out of Grade 5 and has been out of school for two years will be taught the major curriculum principles from Grades 5 and 6, with the aim of sitting for the annual exam for Grade 6 and entering Grade 7, or, if necessary, Grade 6. Students with shorter gap periods may be prepared to reenter school after three months; others may require more than six months.

In some cases, students who have had no formal education but who have a strong desire to enter classes may participate in a less formal basic literacy and simple math program, to achieve mastery over these classroom and testing skills, and then be tested to determine the highest grade they could possibly enter successfully. Though it is certainly not ideal for many young people, very highly motivated individuals have had tremendous success with this approach.

Cooks serve hot, nutritious lunches to all children receiving care at the CLCs, improving nutritional health in communities where most families cannot provide proper diets. NYF will pay special attention to improving local availability of nutritious ingredients, educating caregivers on home nutrition, and empowering mothers financially to access balanced diets for their families.

Other CEP programs planned for these spaces include:

- **Adult Literacy Classes** (covering reading, home finance, and legal literacy).
- Town meetings where teachers, parents, and local leaders build community-wide, unified strategies.
- Nutrition-focused home cooking classes for mothers, applying NRH principles.
- Disaster preparedness programs.

Nepal Youth Foundation
Notes to Combined Financial Statements
June 30, 2024

Caste Equality Project (continued)

- Peer counseling and support groups (these are already underway).
- Women's empowerment and co-op groups.
- Teacher training.

CLCs are built sturdily enough that, in contrast to most of the region's structures, they may serve as emergency gathering spaces for each village.

Note 1 - Summary of significant accounting policies

Basis of accounting

NYF prepares its combined financial statements using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). NYF records revenues when earned and expenses when incurring the related obligations.

Fair value measurements

NYF uses a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. The hierarchy consist of three broad levels:

Level 1 inputs consist of unadjusted quoted prices for identical assets or liabilities in active markets that NYF has the ability to access.

Level 2 inputs consist of quoted prices for identical assets or liabilities in active markets, quoted prices for identical assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability and inputs that are derived principally from or corroborated by observable market data by correlation or by other means.

Level 3 inputs consist of unobservable inputs that that are significant to the fair value measurement.

Nepal Youth Foundation
Notes to Combined Financial Statements
June 30, 2024

Note 1 - Summary of significant accounting policies (continued)

The fair value measurement level on an asset or liability within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

NYF uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, NYF measures fair value using Level 1 because they generally provide the most reliable evidence of fair value. NYF only uses Level 3 inputs when Level 1 or Level 2 inputs are not available. There have been no changes to the methodologies used at June 30, 2024.

Cash and cash equivalents

Cash and cash equivalents consist of amounts on hand and on deposit with commercial banks, available within 90 days of demand.

The Government of Nepal requires entities that operate homes for children to reserve 5% of annual expenditures in separate cash accounts. As of June 30, 2024 and 2023 NYF set aside \$102,986 and \$87,198, respectively, included with cash and cash equivalents, which the management of NYF believes to meet the requirements of the Government of Nepal.

Investments

NYF records investments at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return (loss) consists of interest, dividends, realized gains and losses and unrealized appreciation and depreciation, net of custodian and investment management fees. NYF recognizes net investment return (loss) when earned.

NYF holds investments for the following purposes:

- Short-term investments are investments of excess operating cash.
- Long-term investments are primarily the investments of the amounts held for emergency fund.

Nepal Youth Foundation
Notes to Combined Financial Statements
June 30, 2024

Note 1 - Summary of significant accounting policies (continued)

Investments consist principally of exchange traded funds, real estate investment trust, mutual funds, debt and equity securities and cash held for investment purposes. One registered investment company (custodian) holds all investments. NYF reports the fair value of investments in exchange traded funds, real estate investment trust, mutual funds, debt and equity securities with readily determinable fair values. NYF reports all other investments at cost.

For the valuation of exchange traded funds, real estate investment trust funds, mutual funds and equity securities, NYF used quoted prices in principal active markets for identical assets as of the valuation date.

For the valuation of debt securities, NYF used significant other observable inputs, particularly dealer of quoted market prices for comparable investments as of the valuation date.

Contributions receivable

Contributions receivable that are expected to be collected within one year are recorded at net realizable value. Contributions receivable that are 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.

NYF uses the allowance method to account for uncollectible grants and contributions receivable. Under this method, NYF records an allowance for doubtful accounts based on a review of outstanding receivables, historical collection information, and existing economic conditions. When attempts to collect a specific receivable are unsuccessful, NYF considers the account uncollectible and writes it off against the allowance. As of June 30, 2024, NYF's management concluded that all contributions receivable are fully collectible; accordingly, no allowance for doubtful accounts has been established.

Property and equipment

NYF records property and equipment at cost or fair value for donated items. NYF expenses property and equipment with a cost or fair value under \$1,000 and the cost of maintenance and repairs that does not improve or extend the lives of the property and equipment. NYF computes depreciation using the straight-line method over the estimated useful lives of the property and equipment, ranging from three to five years.

Nepal Youth Foundation
Notes to Combined Financial Statements
June 30, 2024

Note 1 - Summary of significant accounting policies (continued)

Under a General Agreement with the Social Welfare Council (Council) of the Government of Nepal, last renewed for five years effective June 4, 2023, property and equipment acquired by NYF in Nepal shall become the property of the Council or another entity of its choosing at the termination of the Agreement. Accordingly, NYF will expense subsequent acquisitions.

Right-of-use assets and lease liabilities

Lease liabilities are initially measured at the present value of minimum lease payments using a risk-free rate that approximates the remaining term of the lease. The right-of use asset is the lease liability adjusted for other lease-related accounts. Management considers the likelihood of exercising renewal or termination clauses (if any) in measuring NYF's right-of-use assets and lease liabilities. Lease and non-lease components (if any) are accounted for separately when determining the payments for the office lease class of assets. Operating lease expense is allocated over the remaining lease term on a straight-line basis.

NYF considers leases with initial terms of twelve months or less, and no option to purchase the underlying asset, to be short-term leases. Accordingly, short-term lease costs are expensed over the remaining lease term, with no corresponding right-of-use asset or lease liability.

Other assets

Certain paintings and works of art donated to NYF with a carrying cost of \$33,150 at June 30, 2024, are not depreciated because they are considered to be inexhaustible.

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. The Board of Directors of NYF may designate some net assets without donor restrictions for certain purposes. As of June 30, 2024 and 2023, NYF did not hold any board designated net assets.

Nepal Youth Foundation
Notes to Combined Financial Statements
June 30, 2024

Note 1 - Summary of significant accounting policies (continued)

Net assets with donor restrictions – Net assets subject to donor (or certain grantor) imposed 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. As of June 30, 2024 and 2023, NYF did not have net assets that are perpetual in nature. NYF reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. 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 activities as net assets released from restrictions. NYF reports conditional contributions restricted by donors as increases in net assets without donor restrictions if the restrictions and conditions expire simultaneously in the reporting period.

Revenue recognition

NYF recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a 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. As of June 30, 2024 and 2023, there were no conditional contributions.

Special events

Special events revenue, net of direct donor benefit costs, is recognized at the point in time when the fundraising event takes place.

In-kind contributions

Contributions of donated noncash assets are recorded at fair value in the period received. Contributions of donated services are recognized when received if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Nepal Youth Foundation
Notes to Combined Financial Statements
June 30, 2024

Note 1 - Summary of significant accounting policies (continued)

Contributed nonfinancial assets include donated cases of wine which are recorded at fair value (see Note 7). NYF does not sell donated gifts-in-kind. In addition to contributed nonfinancial assets, NYF receives a significant amount of donated services from unpaid volunteers who assist in program services, administration, and fundraising. No donated services from unpaid volunteers have been recognized in the statement of activities because the criteria for recognition have not been satisfied.

Income taxes

The Internal Revenue Service (IRS) and State of California Franchise Tax Board (FTB) approved NYF as exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code (IRC) and from California bank and corporation taxes under section 23701(d) of the California Revenue and Taxation Code, respectively. In addition, NYF qualifies for the charitable contribution deduction under IRC Section 170(b)(1)(A) and has been classified as a publicly supported organization as described in IRC Section 509(a)(1). Accordingly, donors are entitled to the maximum charitable contribution deduction allowed by law. Management of NYF concluded that no activities of NYF jeopardized its exemption from income taxes, its classification as a "public charity" or subjected NYF to taxes on unrelated business income. Consequently, NYF did not provide for any income taxes.

NYF follows U.S. GAAP relating to the accounting for uncertainty in income taxes. Management believes that NYF has adequately addressed all tax positions and that there are no unrecorded tax liabilities.

NYF files information returns with the IRS and the FTB. The IRS is generally open to examination three years after filing and the FTB is open to examination four years after filing.

Allocation of functional expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statements of functional expenses present 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 occupancy, personnel costs, professional fees, communications, cloud services, postage and shipping, supplies, insurance, taxes, licenses and dues, bank fees, printing and publications, travel, and promotion, which are allocated on the basis of time and effort.

Nepal Youth Foundation
Notes to Combined Financial Statements
June 30, 2024

Note 1 - Summary of significant accounting policies (continued)

NYF operates most of its supporting activities in California and program activities in Nepal. Accordingly, calculation of certain financial statement ratios may skew unfavorably due to significant cost differences between California and Nepal.

Foreign currency translation

NYF translates the financial statements of its activities in Nepal from their functional currencies into U.S. Dollars in conformity with U.S. GAAP. Accordingly, NYF translates all assets and liabilities based on current (year-end) exchange rates and all revenues and expenses based on the average exchange rate during the period. NYF records the resulting translation adjustment as currency translation gain or loss herein.

Grants

Grant expenses are recognized in the period the grant is approved provided the grant is not subject to significant future conditions. At June 30, 2024 and 2023, NYF was not liable for awarded grants.

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management 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.

Concentrations, credit and market risk

Cash and cash equivalents held by one commercial bank exceeded federal deposit insurance limits at various times during the years ended June 30, 2024 and 2023. NYF has not experienced any losses in this account and believes it is not exposed to any significant financial risk.

Investments held by one registered investment company exceeded securities investor protection corporation limits at various times during the years ended June 30, 2024 and 2023. Investments are subject to credit and market risks. Credit risk is the probability that parties holding or supporting an investment will default or otherwise fail to perform. Market risk is the inherent change in the fair value of an investment due to changes in conditions. NYF manages risk to its investments by periodically reviewing investments for compliance with their investment policy and investment returns for comparability to the general market and specific investment class returns.

Nepal Youth Foundation
Notes to Combined Financial Statements
June 30, 2024

Note 1 - Summary of significant accounting policies (continued)

Contributions receivable are subject to collection risk. Collection risk is the probability that the financial condition of the donor may change, reducing or eliminating the subsequent collection of contributions receivable. Credit risk associated with contributions receivable is considered limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from individual donors and agencies supportive of NYF's mission. NYF continually monitors its receivables and establishes valuation reserves as considered appropriate.

Comparative totals

The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. The prior-year information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, the information should be read in conjunction with NYF's complete financial statements for the year ended June 30, 2023 from which the summarized information was derived.

Nepal Youth Foundation
Notes to Combined Financial Statements
June 30, 2024

Note 2 – Investments

As of June 30, 2024, investments totaled as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>
Cash and cash equivalents (at cost)	\$ 277,357	\$ -	\$ -
Exchange traded funds	259,253	259,253	-
Real estate investment trust			
Publicly traded funds	31,360	31,360	-
Mutual funds			
Bond funds	91,931	91,931	-
Equity funds	161	161	-
Total mutual funds	<u>92,092</u>	<u>92,092</u>	<u>-</u>
Debt securities			
U.S. Treasuries	95,009	-	95,009
Corporate bonds	493,396	-	493,396
Municipal bonds	101,509	-	101,509
Total debt securities	<u>689,914</u>	<u>-</u>	<u>689,914</u>
Equity securities			
Domestic	1,303,193	1,303,193	-
Foreign	72,120	72,120	-
Total equity securities	<u>1,375,313</u>	<u>1,375,313</u>	<u>-</u>
Total	<u>\$ 2,725,289</u>	<u>\$ 1,758,018</u>	<u>\$ 689,914</u>

Nepal Youth Foundation
Notes to Combined Financial Statements
June 30, 2024

Note 2 – Investments (continued)

As of June 30, 2023, investments totaled as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>
Cash and cash equivalents (at cost)	\$ 301,261	\$ -	\$ -
Exchange traded funds	230,639	230,639	-
Real estate investment trust			
Publicly traded funds	24,438	24,438	-
Mutual funds			
Bond funds	74,377	74,377	-
Equity funds	161	161	-
Total mutual funds	<u>74,538</u>	<u>74,538</u>	-
Debt securities			
U.S. Treasuries	95,681	-	95,681
Corporate bonds	745,917	-	745,917
Municipal bonds	100,278	-	100,278
Total debt securities	<u>941,876</u>	<u>-</u>	<u>941,876</u>
Equity securities			
Domestic	1,080,990	1,080,990	-
Foreign	63,988	63,988	-
Total equity securities	<u>1,144,978</u>	<u>1,144,978</u>	<u>-</u>
Total	<u>\$ 2,717,730</u>	<u>\$ 1,474,593</u>	<u>\$ 941,876</u>

During the years ended June 30, 2024 and 2023, investment return totaled as follows:

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 87,607	\$ 60,901
Net realized and unrealized gain (loss)	299,449	168,115
Custodial fees	<u>(20,808)</u>	<u>(21,004)</u>
Net investment return	<u>\$ 366,248</u>	<u>\$ 208,012</u>

Nepal Youth Foundation
Notes to Combined Financial Statements
June 30, 2024

Note 3 – Contributions receivable

Contributions receivable as of June 30, 2024 and 2023 total as follows:

	<u>2024</u>	<u>2023</u>
Receivable in less than one year	\$ 204,250	\$ 152,648
Receivable in one to five years	<u>70,000</u>	<u>96,000</u>
	274,250	248,648
Less discount to net present value at rates ranging from 4.52% to 5.09%	<u>(5,090)</u>	<u>(7,443)</u>
Contributions receivable, net	<u>\$ 269,160</u>	<u>\$ 241,205</u>

At June 30, 2024, three donors accounted for 71% of total contributions receivable. At June 30, 2023, two donors accounted for 67% of total contributions receivable.

Note 4 – Property and equipment

Property and equipment as of June 30, 2024 and 2023 total as follows:

	<u>2024</u>	<u>2023</u>
Furniture and equipment	\$ 4,997	\$ 4,997
Computer software	<u>20,196</u>	<u>20,196</u>
	25,193	25,193
Accumulated depreciation	<u>(16,257)</u>	<u>(8,415)</u>
Property and equipment, net	<u>\$ 8,936</u>	<u>\$ 16,778</u>

Nepal Youth Foundation
Notes to Combined Financial Statements
June 30, 2024

Note 5 – Net assets with donor restrictions

As of and during the year ended June 30, 2024, net assets with donor restrictions reconcile as follows:

<u>Activity</u>	<u>2023</u>	<u>Additions</u>	<u>Releases</u>	<u>2024</u>
Children's Homes	\$ -	\$ 216,643	\$ 216,643	\$ -
Liberating Girls from Indentured Servitude	-	4,125	4,125	-
Nutritional Rehabilitation Homes	-	53,557	53,557	-
Schools and Scholarships	196,161	175,045	169,353	201,853
Vocational Counseling	-	91,917	4,891	87,026
Emergency Fund	1,050,983	12,411	-	1,063,394
Kinship Care EQ Long Term	-	13,215	13,215	-
Caste Equality Project	18,126	254,645	114,487	158,284
COVID -19	46,000	-	46,000	-
Other programs	25,000	4,426	16,930	12,496
Time Restricted	75,000	232,250	150,000	157,250
	<u>\$ 1,411,270</u>	<u>\$ 1,058,234</u>	<u>\$ 789,201</u>	<u>\$ 1,680,303</u>

As of and during the year ended June 30, 2023, net assets with donor restrictions reconcile as follows:

<u>Activity</u>	<u>2022</u>	<u>Additions</u>	<u>Releases</u>	<u>2023</u>
Children's Homes	\$ -	\$ 168,992	\$ 168,992	\$ -
Liberating Girls from Indentured Servitude	2,400	5,597	7,997	-
Nutritional Rehabilitation Homes	10,723	60,574	71,297	-
Schools and Scholarships	280,352	342,054	426,245	196,161
Vocational Counseling	40,000	88,099	128,099	-
Emergency Fund	1,042,599	8,384	-	1,050,983
Earthquake Disaster Relief	12,301	-	12,301	-
Kinship Care EQ Long Term	-	8,057	8,057	-
Caste Equality Project	-	54,177	36,051	18,126
COVID -19	313	46,139	452	46,000
Other programs	65,268	18,319	58,587	25,000
Time Restricted	75,000	150,000	150,000	75,000
	<u>\$ 1,528,956</u>	<u>\$ 950,392</u>	<u>\$ 1,068,078</u>	<u>\$ 1,411,270</u>

Nepal Youth Foundation
Notes to Combined Financial Statements
June 30, 2024

Note 6 – Founder’s Day

NYF held its annual special event called Founder’s Day on May 30, 2024. Special events for the years ended June 30, 2024 and 2023 consisted of the following:

	<u>2024</u>	<u>2023</u>
Support	\$ 359,059	\$ 261,459
In-kind contributions: auction	<u>-</u>	<u>7,975</u>
	359,059	269,434
Direct donor-benefit costs	<u>(40,006)</u>	<u>(21,041)</u>
	<u>\$ 319,053</u>	<u>\$ 248,393</u>

Note 7 – In-kind contributions

For the years ended June 30, 2024, and 2023, contributed nonfinancial assets recognized within the statement of activities included the following:

	<u>2024</u>	<u>2023</u>
Therapy toys	\$ -	\$ 5,500
Food and wine	3,456	4,424
Projector	-	323
Video production	<u>-</u>	<u>33,500</u>
	3,456	43,747
Donated auction items	<u>-</u>	<u>7,975</u>
	<u>\$ 3,456</u>	<u>\$ 51,722</u>

During the year ended June 30, 2024, donated items were valued based on using estimated U.S. wholesale prices (principal market) of identical or similar products using pricing data under a “like-kind” methodology. Contributed food and wine was consumed by guests during the Founder’s Day event.

During the year ended June 30, 2023, donated auction items were valued at the sales price received during the auction on the day of the event.

Nepal Youth Foundation
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Note 7 – In-kind contributions (continued)

All in-kind contributions received during the years ended June 30, 2024 and 2023 were unrestricted.

Note 8 – Retirement plan

NYF maintains a retirement plan for its employees in Nepal and certain employees of a related organization in Nepal. Eligible employees are entitled to a lump sum, totaling 0.5 to 1.5 months of their then current salary per year of service, depending on the total number of years of service, which NYF pays upon termination, retirement or death.

Eligible employees vest in their share of the retirement plan benefit after completing five years of service. As of June 30, 2024 and 2023, the estimated retirement plan benefit liability was \$19,993 and \$18,114, respectively.

Note 9 – Commitments and contingencies

Under its Agreement with the Social Welfare Council of the Government of Nepal, NYF must invest a minimum of \$2,000,000 annually in its programs and projects in Nepal through June 4, 2028.

NYF is the beneficiary under various wills and trust agreements, the total realizable amounts of which are not presently determinable. NYF's share of such bequests is recorded when the probate courts declare the testamentary instrument valid and the proceeds are measurable.

NYF receives certain support and revenue that may be subject to audit or review by the donors. The management of NYF believes that NYF complied with all aspects of the related grant provisions and that disallowed costs, if any, would be immaterial to the financial position of NYF.

Nepal Youth Foundation
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Note 10 – Leases

NYF leases office space in San Francisco, California dedicated to both administrative and program duties. The lease began on April 2, 2021 and it renews automatically for one year unless notice is given by landlord at least four weeks prior to the end of the lease. The lease has a term of five years when factoring likely extensions. During the year ended June 30, 2024, operating lease cost is included in the statement of functional expenses under occupancy expenses totaling \$15,733.

Operating lease costs for the year ended June 30, 2024 reconcile as follows:

Operating lease cost	\$ 11,782
Short-term lease cost	
12-months or less	2,280
Daily rentals	<u>600</u>
Total U.S.A. lease costs	14,662
Total Nepal lease costs	<u>1,071</u>
Total lease costs	<u><u>\$ 15,733</u></u>

Under U.S. GAAP, operating lease expense is recognized on a straight-line basis over the remaining lease term. NYF had no variable lease expense during the year June 30, 2024.

The future minimum lease payments under the non-cancellable operating leases with a term greater than one year is listed below as of June 30, 2024:

Nepal Youth Foundation
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Note 10 – Leases (continued)

Years ending June 30,	
2025	\$ 13,464
2026	<u>10,098</u>
Total lease payments	23,562
Less present value discount	<u>(556)</u>
Total lease liability	23,006
Less current portion	<u>(13,004)</u>
Long-term lease liability	<u><u>\$ 10,002</u></u>

The weighted-average discount rate applied to calculate lease liabilities as of June 30, 2024 was 2.88%

As of June 30, 2024, the weighted-average remaining lease term for operating leases was approximately 1.75 years.

Note 11 – Liquidity and availability of financial assets

The following reflects NYF's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts available include donor restricted amounts that are available for general expenditure in the following year.

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Notes to Combined Financial Statements
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Note 11 – Liquidity and availability of financial assets (continued)

	<u>2024</u>	<u>2023</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 924,612	\$ 657,173
Investments	2,725,289	2,717,730
Receivables	<u>271,076</u>	<u>241,205</u>
	<u>3,920,977</u>	<u>3,616,108</u>
Less those unavailable for general expenditures within one year, due to:		
Donor restricted for emergency fund	1,063,394	1,050,983
Contributions receivable long-term	64,910	88,557
Mandatory reserve fund - in Nepal	<u>102,986</u>	<u>87,198</u>
	<u>\$2,689,687</u>	<u>\$ 2,389,370</u>

As part of its liquidity management, NYF invests cash in excess of daily requirements in various mutual funds, debt and equity securities.

Note 12 – Adoption of new standard

Effective July 1, 2023, NYF adopted ASU 2016-13, *Financial Instruments- Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses on certain financial instruments. NYF adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on NYF' financial statements but did change how the allowance for credit losses is determined.

Note 13 – Subsequent events

NYF evaluated subsequent events for recognition and disclosure through April 18, 2025, the date to which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2024 that required recognition or disclosure in these financial statements.