YOUNG AUDIENCES OF VIRGINIA, INC.
dba ARTS FOR LEARNING VIRGINIA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026
With Comparative Totals for the Year ended June 30, 2025



YOUNG AUDIENCES OF VIRGINIA, INC.
dba ARTS FOR LEARNING VIRGINIA

TABLE OF CONTENTS

	Page
Independent Auditors' Report	1 - 2
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 17

BBCP
Barnes, Brock, Cornwell & Painter, PLC
Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Young Audiences of Virginia, Inc. dba Arts for Learning Virginia
Norfolk, Virginia

Opinion

We have audited the accompanying financial statements of Young Audiences of Virginia, Inc. dba Arts for Learning Virginia (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of June 30, 2026, and the related statements of activities, 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 aspects, the financial position of Young Audiences of Virginia, Inc. dba Arts for Learning Virginia as of June 30, 2026, and the changes in 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 Young Audiences of Virginia, Inc. dba Arts for Learning Virginia 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 Young Audiences of Virginia, Inc. dba Arts for Learning Virginia's ability to continue as a going concern within one year after the date that the 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 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 it 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.

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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 Young Audiences of Virginia, Inc. dba Arts for Learning Virginia'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 any conditions or events, considered in the aggregate, that raise substantial doubt about Young Audiences of Virginia, Inc. dba Arts for Learning Virginia'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 Young Audiences of Virginia, Inc. dba Arts For Learning Virginia's June 30, 2025 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 15, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2025, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Barnes, Brock, Cornwell & Painter, PLC

Chesapeake, Virginia
October 23, 2026

YOUNG AUDIENCES OF VIRGINIA, INC.
dba ARTS FOR LEARNING VIRGINIA

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2026
With Comparative Totals for the Year ended June 30, 2025

ASSETS

	Operating	Endowment	2026 Total	2025 Total
CURRENT ASSETS:				
Cash and cash equivalents	$ 335,738	$ -	$ 335,738	$ 266,317
Accounts receivable	23,702	-	23,702	20,512
Prepaid expenses	11,660	-	11,660	8,331
Total current assets	$ 371,100	$ -	$ 371,100	$ 295,160
FURNITURE AND EQUIPMENT:				
Furniture and equipment	$ 64,542	$ -	$ 64,542	$ 89,797
Less accumulated depreciation	(58,712)	-	(58,712)	(86,394)
Net furniture and equipment	$ 5,830	$ -	$ 5,830	$ 3,403
OTHER ASSETS:				
Beneficial interest in assets held by Community Foundation	$ -	$ 866,870	$ 866,870	$ 777,347
Operating lease right-of-use asset	36,198	-	36,198	60,200
Investments	-	170,822	170,822	148,975
Total other assets	$ 36,198	$ 1,037,692	$ 1,073,890	$ 986,522
TOTAL ASSETS	$ 413,128	$ 1,037,692	$ 1,450,820	$ 1,285,085

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:				
Accounts payable and accrued expenses	$ 12,671	$ -	$ 12,671	$ 3,607
Right-of-use operating lease liability, current	23,954	-	23,954	23,424
Deferred revenue	35,757	-	35,757	51,461
Total current liabilities	$ 72,382	$ -	$ 72,382	$ 78,492
LONG TERM LIABILITIES:				
Right-of-use operating lease liability, net	12,244	-	12,244	36,776
Total liabilities	$ 84,626	$ -	$ 84,626	$ 115,268
NET ASSETS:				
Without donor restrictions	$ 328,502	$ 934,651	$ 1,263,153	$ 1,066,776
With donor restrictions	-	103,041	103,041	103,041
Total net assets	$ 328,502	$ 1,037,692	$ 1,366,194	$ 1,169,817
TOTAL LIABILITIES AND NET ASSETS	$ 413,128	$ 1,037,692	$ 1,450,820	$ 1,285,085

See independent auditor's report and accompanying notes to the financial statements.

YOUNG AUDIENCES OF VIRGINIA, INC.
dba ARTS FOR LEARNING VIRGINIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2026
With Comparative Totals for the Year ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	2026 Total	2025 Total
OPERATING REVENUE AND SUPPORT:				
Performances (schools, PTAs and other)	$ 304,341	$ -	$ 304,341	$ 316,993
Contributions	142,914	-	142,914	59,904
Grant and foundation income	232,778	79,161	311,939	326,568
In-kind contributions	16,441	-	16,441	29,549
Miscellaneous income	-	-	-	450
Net assets released from restrictions	79,161	(79,161)	-	-
Total operating revenue and support	$ 775,635	$ -	$ 775,635	$ 733,464
OPERATING EXPENSES:				
Program services	$ 614,569	$ -	$ 614,569	$ 592,110
Management and general	80,385	-	80,385	74,545
Fundraising expenses	36,406	-	36,406	44,681
Total operating expenses	$ 731,360	$ -	$ 731,360	$ 711,336
CHANGES IN NET ASSETS FROM OPERATING ACTIVITIES	$ 44,275	$ -	$ 44,275	$ 22,128
NON-OPERATING ACTIVITIES:				
Interest income	$ 8,478	$ -	$ 8,478	$ 6,825
Interest expense	(76)	-	(76)	(161)
Changes in value of investments (net of expenses $5,858 and $5,924, respectively)	143,700	-	143,700	67,446
CHANGES IN NET ASSETS FROM NON-OPERATING ACTIVITIES	$ 152,102	$ -	$ 152,102	$ 74,110
CHANGES IN NET ASSETS	$ 196,377	$ -	$ 196,377	$ 96,238
NET ASSETS, BEGINNING OF YEAR	1,066,776	103,041	1,169,817	1,073,579
NET ASSETS, END OF YEAR	$ 1,263,153	$ 103,041	$ 1,366,194	$ 1,169,817

See independent auditor's report and accompanying notes to the financial statements.

YOUNG AUDIENCES OF VIRGINIA, INC.
dba ARTS FOR LEARNING VIRGINIA

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2026
With Comparative Totals for the Year ended June 30, 2025

		SUPPORTING ACTIVITIES				
	Program Services	Management and General	Fundraising	Supporting Subtotal	2026 Total	2025 Total
Salaries and wages	$ 275,705	$ 32,059	$ 12,823	$ 44,882	$ 320,587	$ 299,213
Payroll taxes	18,098	6,920	1,597	8,517	26,615	23,411
Employee benefits	28,523	10,906	2,517	13,423	41,946	31,057
Total salaries and related expenses	$ 322,326	$ 49,885	$ 16,937	$ 66,822	$ 389,148	$ 353,681
Advertising and marketing	3,184	769	7,027	7,796	10,980	28,930
Bank fees	734	-	-	-	734	1,938
Computer expenses	21,110	-	-	-	21,110	20,109
Conferences and meetings	5,197	2,772	693	3,465	8,662	4,040
Contracted employees/consultants	7,160	-	-	-	7,160	18,000
Depreciation	-	2,378	-	2,378	2,378	2,692
Dues and subscriptions	-	-	1,431	1,431	1,431	550
Ensembles & direct program costs	207,730	-	-	-	207,730	185,547
In-kind expenses	16,441	-	-	-	16,441	29,549
Insurance	3,208	3,208	3,208	6,416	9,624	7,912
Miscellaneous	267	-	-	-	267	1,224
National YA fees	4,196	3,147	3,147	6,294	10,490	9,806
Occupancy	17,689	4,009	1,887	5,896	23,585	23,348
Office supplies, printing & postage	3,636	941	1,695	2,636	6,272	8,221
Professional fees	-	12,966	-	12,966	12,966	13,354
Telephone	1,691	310	381	691	2,382	2,435
Total expenses	$ 614,569	$ 80,385	$ 36,406	$ 116,791	$ 731,360	$ 711,336

See independent auditor's report and accompanying notes to the financial statements.

YOUNG AUDIENCES OF VIRGINIA, INC.
dba ARTS FOR LEARNING VIRGINIA

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2026
With Comparative Totals for the Year ended June 30, 2025

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	$ 196,377	$ 96,238
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Depreciation	2,378	2,692
(Increase) decrease in:		
Accounts receivable	(3,192)	7,742
Beneficial interest, net of fees/transfers	(89,523)	(14,005)
Prepaid expenses	(3,329)	3,747
Increase (decrease) in:		
Accounts payable and accrued expenses	9,064	(3,682)
Deferred revenue	(15,704)	(9,132)
Net cash provided (used) by operating activities	$ 96,072	$ 83,600
CASH FLOWS FROM INVESTING ACTIVITIES:		
Changes in investments, net	(26,651)	(19,317)
NET CHANGES IN CASH AND CASH EQUIVALENTS	$ 69,421	$ 64,283
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	266,317	202,034
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 335,738	$ 266,317
SUPPLEMENTAL DISCLOSURES OF NONCASH INFORMATION		
Fair value of donated goods, services, and occupancy	$ 16,441	$ 29,549

See independent auditor's report and accompanying notes to the financial statements.

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES

Young Audiences of Virginia, Inc. (the "Organization"), is a non-profit organization, doing business as Arts for Learning Virginia, which was organized to create arts-integrated learning experiences across Virginia to foster creative problem-solving and enrich communities through meaningful partnerships.

The Organization advances academic success, personal growth, and community connection through creative, arts-integrated experiences for learners, educators, and professional artists. In schools and other educational communities, the Organization integrates the arts into academic content to encourage creativity, collaboration, and deeper engagement. It also expands opportunities for artists to grow, teach, and thrive and works with community partners to increase access to high-quality arts programming, particularly in under-resourced schools, neighborhoods, and communities.

Programs include performances that connect artistic expression to learning; workshops and artist-in-residence experiences that promote imaginative problem-solving, self-expression, collaboration, and expanded perspectives; hands-on, self-directed art kits; and professional learning experiences that equip educators to integrate the arts into instruction. The Organization also provides professional learning and collaborative opportunities designed to strengthen artists' planning, preparation, instruction, and artistic practice.

On June 30, 2026, the Organization adopted its 2030 Strategic Plan for the period July 1, 2026 through December 31, 2030. The plan emphasizes evolving service models and artistic offerings, responding to state and local community needs, building lasting relationships through purposeful collaboration, and designing programs for measurable educational and community impact. These priorities are supported by responsible financial stewardship, strengthened systems and evaluation, and continued investment in people and organizational capacity.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accrual basis of accounting recognizes income when earned and expenses when incurred.

Basis of Presentation

These financial statements, presented on the accrual basis of accounting, have been prepared to focus on the Organization as a whole and to present net assets, revenues, and expenses based on the existence or absence of donor-impaired restrictions. This has been accomplished by the classification of assets, liabilities, and net assets into two groups with donor restrictions and without donor restrictions.

These two groups are defined as follows:

- *Net assets without donor restrictions* - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

- *Net assets with donor restrictions* - Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Organization follows the provisions of the *Financial Accounting Standards Board Accounting Standards Codification* (FASB ASC).

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing activities. Non-operating activities are limited to resources that generate return from investments, endowment contributions, financing costs, and other activities considered to be of a more unusual or nonrecurring nature.

Contributions

Unconditional promises (pledges) are recognized when the donor makes a pledge to give to the Organization and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

When a restriction expires, that is, when a stipulated time restriction ends or a 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. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are stated as unpaid balances, less an allowance for uncollectible accounts. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the customer's ability to meet their obligations. The allowance for uncollectible accounts balance was $0 for both years ended at June 30, 2026 and 2025.

Donated Assets and Services

The Organization recognizes in-kind contributions as revenue and expense in the period in which they are received. Donated materials are valued by donor at fair market value on the date of the gift. No amounts have been reflected in the accompanying financial statements for volunteer services since they are not susceptible to objective measurement or valuation; however, a number of volunteers donated significant amounts of their time performing services that would otherwise be performed by paid employees.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Furniture and Equipment

Purchased items are stated at cost and donated items are stated at fair market value at the date of the gift. Donations are reported as unrestricted support unless the donor has restricted the asset to a specific purpose. Depreciation is computed using straight-line method over the estimated useful lives of the assets. Estimated useful lives of property and equipment are as follows:

Furniture and equipment	3 - 10 years

Depreciation expense for years ended June 30, 2026 and 2025 amounted to $2,378 and $2,692, respectively.

Investments

The Organization records investments at fair market value based on quoted prices in active markets (all Level 1 measurements) and are classified by management as available-for-sale. Accordingly, realized gains and losses, if any, are determined on the basis of the actual cost of the securities sold. Unrealized gains and losses are presented as a single amount in the statement of activities. Gifts of investments are recorded at their fair market value (based upon quotations or appraisals) at the date of the gift. Purchases and sales of investments are recorded on the trade date.

Income Taxes

Young Audiences of Virginia, Inc., is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. Internal Revenue Code Section 513(a) defines an unrelated trade or business of an unexempt organization as any trade or business which is not substantially related to the exercise or performance of its exempt purpose. Currently the Organization has no obligation for any unrelated business income tax. The Organization believes it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements; however, any penalties and interest incurred as a result of uncertain tax positions would be recorded in general administration. The Organization's federal return of Organization Exempt from Income Tax (Form 990) for the fiscal year ending 2026, 2025, 2024, and 2023 are subject to examination by the IRS, generally for three years after they were filed.

Deferred Revenue

School program fees, which are received prior to fiscal year-end but which relate to the following fiscal year, are deferred and recognized as revenue in the following fiscal year as the programs are performed. For the years ended June 30, 2026 and 2025, deferred revenue totaled $35,757 and $51,461, respectively.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Advertising

Advertising costs were expensed as incurred. For the years ended June 30, 2026 and 2025, advertising costs totaled $10,980 and $28,930, respectively.

See independent auditor's report. Notes continued on next page.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Allocation of Expenses

The cost of providing the Organization's various programs and supporting services have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.
The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries, benefits, and payroll taxes	Time and effort
Advertising and marketing	Reasonable basis consistently applied
Conferences and meetings	Reasonable basis consistently applied
Insurance	Reasonable basis consistently applied
National YA Fees	Reasonable basis consistently applied
Occupancy	Reasonable basis consistently applied
Office supplies, printing & postage	Reasonable basis consistently applied
Telephone	Reasonable basis consistently applied

Summarized Comparative Information

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2025, from which the summarized information was derived.

Lease Accounting

The Organization determines whether to account for its leases as operating, capital or financing leases depending on the underlying terms of the lease agreement. This determination of classification is complex and requires significant judgment relating to certain information, including the estimated fair value and remaining economic life of the leased assets, minimum lease payments, and other lease terms.

NOTE 3 - LIQUIDITY

The table below presents financial assets available for general expenditure within one year at June 30, 2026 and 2025:

	2026	2025
Financial assets at year end:		
Cash and cash equivalents	$ 335,738	$ 266,317
Accounts receivable	23,702	20,512
Investments	170,822	148,975
Total financial assets	$ 530,262	$ 435,804
Less amounts not available for general expenditure:		
Net assets with donor restrictions	(103,041)	(103,041)
Financial assets available to meet general expenditures within one year	$ 427,221	$ 332,763

NOTE 3 - LIQUIDITY (continued)

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

The Organization receives significant contributions and promises to give restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

NOTE 4 - LINE OF CREDIT

In July 2017 the Organization secured a line of credit in the amount of $20,000, which is auto-renewed annually, with no stated maturity date. Interest on the line of credit is variable based on the Wall Street Journal prime rate. The line of credit is unsecured. There were no borrowings against the line at June 30, 2026 and 2025.

NOTE 5 - GRANTS AND FOUNDATIONS

Grants for the years ended June 30, 2026 and 2025 provide revenue from the following sources:

	2026	2025
Unrestricted grants:		
Arts Alliance	$ 40,000	$ 40,000
Newport News Fine Arts Commission	9,500	10,000
Norfolk Commission on the Arts & Humanities	51,000	50,000
Virginia Commission for the Arts	24,328	28,583
Total unrestricted grants	$ 124,828	$ 128,583
Donor-restricted grants:		
Chesapeake Fine Arts Commission	$ 5,000	$ 5,000
LISC of Hampton Roads	-	5,000
Norfolk Arts Commission (Arts Equity Grant)	11,961	-
Newport News Shipbuilding	10,000	-
Portsmouth Museum & Fine Arts Comm	6,000	5,000
Portsmouth Service League	-	1,500
Virginia Beach Arts and Humanities Commission	10,000	10,000
Virginia Commission for the Arts (Project)	4,500	-
Walmart, Inc.	3,500	3,500
Williamsburg Area Arts Commission	5,000	5,000
York County Arts Commission	-	2,500
Young Audiences, Inc.	700	-
Total donor-restricted grants	$ 56,661	$ 37,500
Total grants	$ 181,489	$ 166,083

NOTE 5 - GRANTS AND FOUNDATIONS (continued)

Foundation Funds for the years ended June 30, 2026 and 2025 provide revenue from the following sources:

	2026	2025
Unrestricted foundation funds:		
Alan and Esther Fleeder Foundation	$ 250	$ -
Barr Foundation	-	100
Bill and Diane Elliot Fund of Community Fndn Serving Western Virginia	-	500
David Goode Foundation	5,000	2,500
E.C. Warenheim Foundation	15,000	6,000
Hampton Roads Community Foundation	77,350	78,450
Louis Snyder Foundation Fund	250	250
Priority Automotive Charities	5,000	5,000
The Barr Foundation	100	-
TowneBank Foundation	5,000	2,500
Total unrestricted foundation funds	$ 107,950	$ 95,300
Donor-restricted foundation funds:		
Evelyn S. and K.E. Barrett Foundation	$ 10,000	$ -
Haddad Foundation	1,500	-
Hampton Roads Community Foundation	-	32,500
Helen Gifford Foundation	6,000	5,000
Invest in Others Charitable Foundation Inc	-	9,935
Langley for Families	2,500	2,500
Obici Healthcare Foundation	-	1,250
Richard Bennett Trust Foundation	-	2,500
Southeastern VA Community Foundation	2,500	-
TowneBank Foundation	-	2,500
Wareheim Foundation	-	9,000
Total Donor-restricted foundation funds	$ 22,500	$ 65,185
Total foundation funds	$ 130,450	$ 160,485
Total grant and foundation income	$ 311,939	$ 326,568

NOTE 6 - RETIREMENT PLAN

The Organization sponsors a retirement plan for employees with 2 years of service or more. The Organization can make discretionary contributions of 5% of eligible employees' gross wages to the non-contributory plan. The percentage is subject to change by the Board of Directors. Contributions for the years ended June 30, 2026 and 2025 were $0.

NOTE 7 - IN-KIND CONTRIBUTIONS

Contributed goods are recorded at fair value at the date of donation. Contributed services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at fair value in the period received.

The Organization's financial statements include the following in-kind contributions, revenue and support, and associated expenses:

	2026	2025
Donated supplies	$ 5,566	$ 1,163
Donated services	10,875	28,386
Total in-kind contributions	$ 16,441	$ 29,549

NOTE 8 - ENDOWMENT

In accordance with FASB (ASC) 958-205, *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and Enhanced Disclosures for All Endowment Funds,* provides guidance on the net asset classification of donor restricted funds for a not-for-profit organization that is subject to an enacted version of UPMIFA and also required disclosures about endowment funds, both donor-restricted endowment funds and board-designated endowment funds.

The Organization's endowment consists of donor-restricted endowment funds, and funds designated by the Board of Directors to function as endowments. Net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

Based on the interpretation of UPMIFA by the Board of Directors, the Organization classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the Board of Directors appropriates such amounts for expenditure. Most of those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Organization
7. The investment policies of the Organization

Fund with Deficiencies

From time-to-time, the fair value of assets associated with an individual donor-restricted endowment fund may fall below the original value of the fund. In accordance with generally accepted accounting principles, deficiencies of this nature are reported in net assets without donor restrictions. As of June 30, 2026 and 2025, the Organization did not have any deficiencies.

See independent auditor's report. Notes continued on next page.

NOTE 8 - ENDOWMENT (continued)

The totals below represent the original funded endowment and do not include the changes through June 30, 2026 and 2025, respectively.

	2026	2025
Donor-restricted:		
Shore/Kaufman Endowment	$ 61,181	$ 61,181
David Carr Glover Endowment	15,000	15,000
Bettie Minette Cooper Endowment	15,000	15,000
Einhorn Memorial Fund	11,860	11,860
Total with donor restrictions	$ 103,041	$ 103,041
Without donor restrictions:		
Beneficial interest in assets held by Community Foundation	866,870	777,347
Total endowment investments	$ 969,911	$ 880,388

NOTE 9 - BENEFICIAL INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATION

The Young Audiences of Virginia Fund was established at the Hampton Roads Community Foundation with funds contributed initially by Young Audiences of Virginia, Inc. under the Batten Endowment Challenge program. Under the terms of the fund agreement, the Hampton Roads Community Foundation has variance power and is the legal owner of the fund. Additionally, contributions to this fund may be matched up to a total match of $500,000. The Organization is the beneficiary of the fund and receives distributions of income, subject to the Hampton Roads Community Foundation's spending policy. Because the Young Audiences Fund was established with donations from the funds of Young Audiences of Virginia, Inc. for the benefit of the same, it is considered a reciprocal transfer and is reflected in the financial statements in accordance with generally accepted accounting principles. As of June 30, 2026 and 2025, the balance of funds, held at the Foundation were $866,870 and $777,347 respectively.

The purpose of this fund is to provide support under the Batten Endowment Challenge program, which is designed to provide a lasting source of unrestricted funding to support the work of organizations that strive to improve educational achievement in children and youth in South Hampton Roads, to build the capacity of organizations to raise endowment funds for the long-term sustainability, and to inspire other donors in the community to provide endowment gifts. In addition, under the Batten Endowment Challenge Fund, the Organization will receive earnings from the endowment fund, which is held by the Hampton Roads Community Foundation, and the earnings designated for Young Audiences of Virginia, Inc.

NOTE 10 - CONCENTRATION OF CREDIT RISK

The Organization places its cash and cash equivalents on deposit with financial institutions in the United States. All of a depositor's accounts at an insured depository institution, including all non-interest bearing transaction accounts, will be insured by the Federal Deposit Insurance Corporation (FDIC) and the Securities Investor Protection Corporation (SIPC) up to the standard maximum deposit insurance amount of $250,000 and $500,000, respectively, for each deposit insurance ownership category. As of June 30, 2026 and 2025, the Organization had demand deposits on hand in financial institutions which exceeded depositor's insurance provided by the applicable guaranty agency by $87,602 and $0, respectively. As of June 30, 2026 and 2025 the Organization had investments which exceeded SIPC limits of $366,870 and $277,347, respectively.

See independent auditor's report. Notes continued on next page.

NOTE 11 - FAIR VALUE MEASUREMENTS

In accordance with FASB (ASC) 820, *Fair Value Measurements and Disclosures* , the Organization accounts for its financial instruments as well as certain assets and liabilities at fair value. Fair value is defined as the price that would be paid in an orderly transaction, or exit price, between market participants to sell the asset or transfer the liability in the principal or most advantageous market for the asset or liability.

FASB (ASC) 820, *Fair Value Measurements and Disclosures* , establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2026 and 2025.

Mutual funds - Valued at the net asset value (NAV) of shares held by the Organization at year end.

Beneficial interest - Valued based on stated values provided by third parties. These funds are part of the investment portfolio of the Hampton Roads Community Foundation on behalf of the Organization and are subject to the Organization's investment policies, terms and valuation procedures.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

See independent auditor's report. Notes continued on next page.

NOTE 11 - FAIR VALUE MEASUREMENTS (Continued)

Fair value measurements using significant unobservable inputs (Level 3) are summarized below:

	2026	2025
Beneficial interest in assets held by Community Foundation		
Beginning balance	$ 777,347	$ 763,342
Purchases, sales, issuance, settlements	(5,858)	(5,924)
Grants disbursed	(34,740)	(35,230)
Market value adjustment	130,121	55,159
Ending balance	$ 866,870	$ 777,347

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2026 and 2025.

Assets at Fair Value as of June 30, 2026

	Level 1	Level 2	Level 3	Total
Investments:				
Cash and cash equivalents	$ 9,982	$ -	$ -	$ 9,982
Mutual Funds	160,840	-	-	160,840
Beneficial interest	-	-	866,870	866,870
Total assets at fair value	$ 170,822	$ -	$ 866,870	$ 1,037,692

Assets at Fair Value as of June 30, 2025

	Level 1	Level 2	Level 3	Total
Investments:				
Cash and cash equivalents	$ 9,800	$ -	$ -	$ 9,800
Mutual Funds	139,175	-	-	139,175
Beneficial interest	-	-	777,347	777,347
Total assets at fair value	$ 148,975	$ -	$ 777,347	$ 926,322

NOTE 12 - NET ASSETS

Net assets consisted of the following:

	2026	2025
Without donor restrictions:		
Beneficial interest in assets held by Community Foundation	$ 866,870	$ 777,347
Undesignated	396,283	289,429
Total without donor restrictions	$ 1,263,153	$ 1,066,776
With donor restrictions	103,041	103,041
Total net assets	$ 1,366,194	$ 1,169,817

Net assets released from net assets with donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors during 2026 and 2025:

	2026	2025
Net assets released from restrictions:		
Satisfaction of program restriction	$ 79,161	$ 102,685

See independent auditor's report. Notes continued on next page.

NOTE 13 - OPERATING LEASES:

The Organization has an operating lease agreement for equipment. The term of the lease is 48 months. Payment on the lease is $237 per month starting October 13, 2022 and increases 3.11% every year.

The Organization leases office space in Norfolk, Virginia. In August of 2024, the organization extended the existing lease agreement, and the lease is set to expire on December 31, 2027. The monthly base rent is $1,928 and increases at a rate of 3% each year. Rent expense for the years ended June 30, 2026 and 2025 was $23,585 and $23,348, respectively.

The following table displays the undiscounted cash flows due related to operating leases as of June 30, 2026, along with a reconciliation to the discounted amount recorded on the June 30, 2026, statement of financial position:

2027		24,957
2028		12,394
	$	37,351
Impact of present value discount		(1,153)
Amount reported on statement of financial position	$	36,198

Weighted-average lease term (years)	2
Weighted-average discount rate	4.00%

NOTE 14 - SUBSEQUENT EVENTS

Subsequent events were evaluated through October 23, 2026, which is the date the financial statements were available to be issued. No events have occurred subsequent to the statements of financial position date and through October 23, 2026, that would require adjustment to, or disclosure in, the financial statements.