LATIN AMERICAN LEADERSHIP FOUNDATION, INC.

REPORT ON AUDIT OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

LATIN AMERICAN LEADERSHIP FOUNDATION, INC.

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Independent Auditor's Report

To the Board of Directors of
Latin American Leadership Foundation, Inc.
Orlando, Florida

Opinion

We have audited the accompanying financial statements of Latin American Leadership Foundation, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Latin American Leadership Foundation, Inc. as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Latin American Leadership Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Latin American Leadership Foundation, Inc.'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 is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Latin American Leadership Foundation, Inc.'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Latin American Leadership Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Templeton & Company, LLP

West Palm Beach, Florida
November 2, 2025

LATIN AMERICAN LEADERSHIP FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION
December 31, 2024

ASSETS

Current assets:		
Cash and cash equivalents	$	769,572
Investments		1,805,894
Contributions receivable		35,000
Prepaid expenses		2,992
Total current assets	$	2,613,458

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable and accrued expenses	$	114,961
Total current liabilities		114,961
Net assets:		
Without donor restrictions		2,498,497
Total net assets		2,498,497
Total liabilities and net assets	$	2,613,458

See accompanying notes to financial statements.

LATIN AMERICAN LEADERSHIP FOUNDATION, INC.

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2024

Net assets without donor restrictions:	
Support and revenue:	
Contributions and private grants	$ 1,552,201
Net investment return	69,114
Total support and revenue	1,621,315
Expenses:	
Program services	731,190
Management and general	233,268
Fundraising	183,817
Total expenses	1,148,275
Change in net assets from operations	473,040
Non-operating activities:	
Gain of sale of property	252,578
Change in net assets	725,618
Net assets - beginning of year	1,772,879
Net assets - end of year	$ 2,498,497

See accompanying notes to financial statements.

LATIN AMERICAN LEADERSHIP FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2024

	Program Services	Management and General	Fundraising	Total
Compensation and benefits	$ 699,119	$ 158,850	$ 165,213	$ 1,023,182
Advertising and marketing	-	-	334	334
Professional consultants	-	45,132	-	45,132
Bank charges	-	6,499	-	6,499
Software and technology	2,773	7,860	15,682	26,315
Goods and services	23,298	8,648	52	31,998
Insurance	-	1,467	-	1,467
Supplies and materials	-	350	-	350
Travel	-	4,462	1,348	5,810
Fundraising fees	-	-	1,188	1,188
Grants paid	6,000	-	-	6,000
Total	$ 731,190	$ 233,268	$ 183,817	$ 1,148,275

See accompanying notes to financial statements.

LATIN AMERICAN LEADERSHIP FOUNDATION, INC.

STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2024

Cash flows from operating activities:	
Change in net assets	$ 725,618
Adjustments to reconcile change in net assets	
to net cash provided by operating activities:	
Realized and unrealized gains on investments, net	(32,605)
Gain on sale of property	(252,578)
Changes in operating assets and liabilities:	
Contributions receivable	(20,000)
Prepaid expenses	(2,992)
Accounts payable and accrued expenses	19,444
Net cash provided by operating activities	436,887
Cash flows from investing activities:	
Proceeds from sale of property	1,145,000
Purchases of investments	(1,666,264)
Net cash used in investing activities	(521,264)
Net decrease in cash	(84,377)
Cash, beginning of year	853,949
Cash, end of year	$ 769,572

See accompanying notes to financial statements.

Note 1 – Nature of Activities and Summary of Significant Accounting Policies

Nature of activities

Latin American Leadership Foundation, Inc. ("the Organization") was originally incorporated under the laws of the State of Florida in January 2019. The Organization is a nonprofit organization formed for charitable and educational purposes to promote social progress, economic development, and democratic governance in Latin America by developing and connecting a new generation of principled and socially innovative leaders.

Basis of presentation

The entity's financial statements are prepared on the accrual basis of accounting in accordance with the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*.

Net assets

Net assets and revenue, expenses, gains, and losses are classified as with donor restrictions or without donor restrictions based on the existence or absence, respectively, of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net assets without donor restrictions – Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purpose specified in the corporate documents and its application for tax-exempt status, and any limits resulting from contractual arrangements with creditors or others that are entered into in the course of operations.

Net assets with donor restrictions - Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Organization must continue to use the resources in accordance with the donor's instructions.

When a donor's restriction is satisfied either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Net assets restricted for acquisition of building or equipment (or less commonly the contribution of those assets directly) are reported as net assets with donor restrictions until the specified assets are placed in service, unless the donor provided more specific directions about the period of its use.

Contributions and private grants

Contributions and private grants without restrictions and unconditional promises to give are measured at their fair values and are reported as an increase in net assets without donor restrictions in the period received. Contributions that contain donor-stipulations that limit the use of the asset for specific purposes or designate the support for future periods are reported as an increase in net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose restriction is accomplished, net assets with donor restrictions are reclassified and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met within the same reporting period are reported as contributions without donor restrictions.

Contributions that are expected to be collected within one year are recorded at the net realizable value, which approximates fair value. Contributions due in more than one year are reported at the present value of estimated future cash flows. Amortization of the discount is recorded as additional contribution revenue. An allowance for contributions is provided based on management's judgment, including such factors as prior collection history and type of contribution.

Note 1 – Nature of Activities and Summary of Significant Accounting Policies, Continued

Contributions and private grants, continued

Contributed property and equipment are recorded at fair value at the date of contribution. Contributions with donor-imposed stipulations regarding how long the contributed assets may be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Contributions receivable

Contributions receivable are unconditional promises to give. Contributions receivable that are expected to be collected in less than one year are reported at net realizable value. Contributions receivable that are expected to be collected in more than one year are reported at fair value at the date of the promise. That fair value is computed using a present value technique applied to anticipated cash flows. Amortization of the resulting discount is recognized as additional contribution revenue. The allowance for uncollectible contributions receivable is determined based on management's evaluation of the collectability of individual promises. As of December 31, 2024, the Organization's contributions receivable in the amount of $35,000 is expected to be collected in less than one year, and management determined the amounts were fully collectible and no allowance was reported.

Cash and cash equivalents

Cash and cash equivalents include demand deposit accounts and other highly liquid investments with an original maturity of three months or less. The concentration of credit risk associated with cash is considered low due to the credit quality of the financial institutions and the immediate availability of these financial instruments.

Investments

Investments consist of money market funds and United States Treasury bills which are measured at their fair values based on quoted market prices. Investment income and realized gains and losses on investments are recognized upon realization. Unrealized gains and losses are recognized for changes in fair values during the period. Net investment returns are reported in appropriate net asset classifications based upon the existence of donor restrictions, if any.

Investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in values of investments will occur in the near-term.

Fair value disclosures

The carrying value of the Organization's cash and cash equivalents and accounts payable and accrued expenses approximate their fair values due to their short-term nature.

Functional allocation of expenses

The cost of providing the Organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the functions benefited by various statistical bases as determined by management, primarily by time and effort. When new programs are added, the bases on which costs are allocated are revaluated.

Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.

Note 1 – Nature of Activities and Summary of Significant Accounting Policies, Continued

Income taxes

The Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3). Accordingly, no provision for income taxes has been recorded in the financial statements. The Organization is required to operate in conformity with the provisions of the Internal Revenue Code (IRC) to maintain its exempt status. Internal Revenue Code Section 170(b)(1)(A)(VI) allows donors a deduction for contributions.

Management analyzes tax positions in jurisdictions where it is required to file income tax returns. Interest and penalties attributable to income taxes, if any, are included in operating expenses. For the year ended December 31, 2024, there were no interest or penalties recorded or included on the Organization's financial statements. Based on its evaluation, management did not identify any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase or decrease. The Organization is no longer subject to income tax examinations for years prior to 2021.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Concentration of credit risk

Financial instruments that potentially subject the Organization to a concentration of credit risk include cash accounts. The Organization maintains its cash deposits with high credit-quality financial institutions. Such balances may at times exceed the FDIC federally-insured limits. There were no cash balances that exceeded FDIC limits as of December 31, 2024.

Note 2 – Availability and Liquidity

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2024 are:

Financial assets at year end:	
Cash	$ 769,572
Investments	1,805,894
Contributions receivable	35,000
Financial assets available for general expenditures in the coming year	$ 2,610,466

As part of the Organization's liquidity plan, the Organization maintains sufficient cash balances to meet short-term obligations and operational needs and invests excess cash in short-term investments.

Note 3 – Investments

A summary of investments as of December 31, 2024 is presented as follows:

United States Treasury bills	$ 1,178,837
Money market funds	627,057
Total investments	$ 1,805,894

The following schedule summarizes the net investment return on investments in the statement of activities for the year ended December 31, 2024:

Dividend and interest income	$ 36,509
Unrealized gains, net	32,605
Net investment return	$ 69,114

Note 4 – Fair Value Measurements

The Organization follows FASB ASC 820, *Fair Value Measurement*, whereby fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurements are broken down into three levels based on the reliability of inputs, as follows:

Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities in active markets that the Organization has the ability to access. The valuation under this approach does not entail a significant degree of judgment. All of the Organization's investments fall within this category.

Level 2 inputs are inputs other than quoted prices included within Level 1. Level 2 inputs include: quoted prices for similar 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 other means. The Organization does not have any assets in this category.

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. The Organization does not have any assets in this category.

The Organization utilizes the following fair value valuation methodologies, none of which have been changed during the year:

United States Treasury bills: Valued at the amortized cost at year-end.

Money market funds: Valued at the net asset value of shares held at year-end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while 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 different fair value measurements at the reporting date.

Note 5 – Gain on Sale of Property

In April 2024, the Organization sold property it held for sale for a sale price and cash proceeds of $1,145,000. The Organization reported a gain on the sale of property in the amount of $252,578 in the accompanying statement of activities for the year ended December 31, 2024.

Note 6 – Subsequent Events

Management evaluated events occurring subsequent to December 31, 2024, through November 2, 2025, the date on which the financial statements were available to be issued, for matters that should be recorded in the financial statements or disclosed in the footnotes thereto.