

THE YOUNG LIVING FOUNDATION
AUDITED FINANCIAL STATEMENTS

Year Ended December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
The Young Living Foundation

Opinion

We have audited the accompanying financial statements of The Young Living Foundation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, 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 respects, the financial position of The Young Living Foundation 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Young Living Foundation 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 Young Living Foundation's ability to continue as a going concern for one year after the date that the financial statements are 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if 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 GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Young Living 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Young Living 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 Young Living Foundation's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 19, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Orem, Utah
September 30, 2025

THE YOUNG LIVING FOUNDATION
STATEMENT OF FINANCIAL POSITION

December 31, 2024 with Summarized Comparative Totals for 2023

	2024	2023
ASSETS		
Current Assets:		
Cash	\$ 3,064,106	\$ 3,283,891
Investments	4,602,766	3,860,771
Contributions receivable	416,810	248,706
Prepaid expenses	-	2,449
Total current assets	<u>\$ 8,083,682</u>	<u>\$ 7,395,817</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts and grants payable	\$ -	\$ 55,900
Net Assets:		
Without donor restrictions	6,689,129	5,980,200
With donor restrictions	<u>1,394,553</u>	<u>1,359,717</u>
Total net assets	<u>8,083,682</u>	<u>7,339,917</u>
Total liabilities and net assets	<u>\$ 8,083,682</u>	<u>\$ 7,395,817</u>

The accompanying notes are an integral part of this financial statement.

THE YOUNG LIVING FOUNDATION
STATEMENT OF ACTIVITIES

Year Ended December 31, 2024 with Summarized Comparative Totals for 2023

	2024	2023
Net Assets Without Donor Restrictions:		
Revenues and support:		
Contributions	\$ 4,676,066	\$ 4,221,791
In-kind contributions	99,914	32,008
Investment income	442,505	360,770
Net assets released from restrictions	3,272	1,069,107
	<u>5,221,757</u>	<u>5,683,676</u>
Total revenues and support		
Expenses:		
Program services:		
Direct assistance to other organizations	3,516,541	4,027,224
Service trips and other program services	589,495	760,931
Supporting services:		
Management and general	247,347	274,263
Fundraising	159,445	82,316
	<u>4,512,828</u>	<u>5,144,734</u>
Total expenses		
Change in net assets without donor restrictions	708,929	538,942
Net Assets With Donor Restrictions:		
Contributions	38,108	106,949
Net assets released from restrictions	(3,272)	(1,069,107)
	<u>34,836</u>	<u>(962,158)</u>
Change in net assets with donor restrictions		
Change in Net Assets	743,765	(423,216)
Net Assets at Beginning of Year	7,339,917	7,763,133
Net Assets at End of Year	\$ 8,083,682	\$ 7,339,917

The accompanying notes are an integral part of this financial statement.

THE YOUNG LIVING FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2024 with Summarized Comparative Totals for 2023

	Program Services		Supporting Services		Totals	
	Direct Assistance to Other Organizations	Service Trips and Other Program Services	Management and General	Fundraising	2024	2023
Salaries and benefits	\$ -	\$ 424,987	\$ 91,069	\$ 91,069	\$ 607,125	\$ 713,357
Awards and grants	3,516,541	-	-	-	3,516,541	4,027,224
Supplies and equipment	-	82,260	-	-	82,260	23,305
Office	-	-	58,602	-	58,602	177,974
Insurance	-	-	4,877	-	4,877	1,192
Occupancy	-	5,310	1,138	1,138	7,586	4,555
Professional fees	-	-	80,847	21,304	102,151	86,287
Travel	-	76,938	818	21,515	99,271	65,846
Promotion and marketing	-	-	9,996	24,419	34,415	44,994
Total expenses	<u>\$ 3,516,541</u>	<u>\$ 589,495</u>	<u>\$ 247,347</u>	<u>\$ 159,445</u>	<u>\$ 4,512,828</u>	<u>\$ 5,144,734</u>

The accompanying notes are an integral part of this financial statement.

THE YOUNG LIVING FOUNDATION
STATEMENT OF CASH FLOWS

Year Ended December 31, 2024 with Summarized Comparative Totals for 2023

	2024	2023
Cash Flows from Operating Activities:		
Change in net assets	\$ 743,765	\$ (423,216)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Gain on investments	(346,531)	(297,281)
Donation of equity securities	(67,968)	-
Changes in operating assets and liabilities:		
Contributions receivable	(168,104)	268,139
Prepaid expenses	2,449	87,061
Accounts and grants payable	(55,900)	(100,188)
Net cash provided (used) by operating activities	107,711	(465,485)
Cash Flows for Investing Activities:		
Net purchases of investments	(327,496)	(3,563,490)
Change in Cash	(219,785)	(4,028,975)
Cash at Beginning of Year	3,283,891	7,312,866
Cash at End of Year	<u>\$ 3,064,106</u>	<u>\$ 3,283,891</u>

Supplementary Data:

The Organization paid no interest or income taxes during the year ended December 31, 2024.

The Organization had no noncash investing or financing activities during the year ended December 31, 2024.

The accompanying notes are an integral part of this financial statement.

THE YOUNG LIVING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of The Young Living Foundation (the Foundation) have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Organization

The Young Living Foundation was incorporated in 2003 in the state of Utah as a nonprofit corporation. The mission of the Foundation is to empower individuals to achieve their potential and to defy limitations by providing wellness and education opportunities to underserved communities. The Foundation seeks to accomplish this mission primarily through assistance to other organizations around the world. The Foundation also collects and disburses donations to areas impacted by natural disaster.

Tax Status

The Foundation is exempt from federal income tax under Internal Revenue Code Section 501(a) and is classified as a Section 501(c)(3) public charity. Contributions to the Foundation are tax deductible to donors under Section 170 of the IRC. Also, the Foundation is exempt from state income taxes.

Investments

Investments are reported at their fair values in the statement of financial position. Net investment income (loss) in the statement of activities includes interest, dividends, and realized and unrealized gains and losses net of investment management fees. Investments consisted of equity securities, mutual funds, limited liability companies and promissory notes (see Note 7).

Grants Payable

Grants payable represent amounts owed to other organizations by the Foundation.

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to the following net asset classifications:

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. These net assets may be used at the discretion of the Foundation’s management and board of directors.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as contributions without donor restrictions.

THE YOUNG LIVING FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and support and expenses during the reporting period. Actual results could differ from those estimates.

Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services and indirect costs are allocated to programs based on personnel costs.

Management and general expenses include those expenses that are not directly identifiable with any specific function, but provide for the overall support and direction of the Foundation. Fundraising expenses include those activities involved in soliciting contributions, conducting fundraising events, and other similar activities.

Summarized Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by function. 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 Foundation's financial statements for the year ended December 31, 2023, from which the summarized information was derived. Certain prior year amounts have been reclassified to conform to current year presentation.

Subsequent Events

The Foundation has evaluated subsequent events through September 30, 2025, the date which the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

NOTE 2 – AVAILABILITY AND LIQUIDITY

The following represents the Foundation's financial assets at December 31, 2024:

Financial assets at year end:	
Cash	\$ 3,064,106
Investments	4,602,766
Contributions receivable	<u>416,810</u>
Total financial assets	8,083,682
Less amounts not available to be used within one year:	
Net assets with donor restrictions	<u>(1,394,553)</u>
Financial assets available to meet general expenditures over the next twelve months	<u><u>\$ 6,689,129</u></u>

The Foundation's goal is generally to maintain financial assets to meet 60 days of operating expenses (approximately \$750,000).

THE YOUNG LIVING FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS

NOTE 3 – INVESTMENTS

Investments consisted of the following at December 31, 2024:

Equity securities	\$ 2,395,200
Mutual funds	1,786,462
Limited liability companies	172,195
Promissory notes	220,000
Cash and accrued dividends	28,909
	<u>\$ 4,602,766</u>

NOTE 4 – RELATED PARTY TRANSACTIONS

The Foundation was created and is operated by Young Living Essential Oils, LC (YLEO). YLEO employees serve as Foundation board members. YLEO has committed to donate sufficient funds to cover the Foundation’s general and administrative costs so that contributions received from YLEO members will be available for program services.

The Foundation received cash donations totaling \$908,401 and noncash donations totaling \$31,946 from YLEO during the year ended December 31, 2024. These contributions represented the amounts paid by YLEO on behalf of the Foundation (cash donations) and the value of office space and professional services provided by YLEO (noncash donations).

YLEO employees perform Foundation functions and the portion of their wages attributable to the Foundation are presented as Foundation expenses.

In addition to the amounts YLEO paid on the Foundation’s behalf, YLEO contributed \$120,072 to the Foundation during the year ended December 31, 2024.

The Foundation’s board chair contributed \$662,500 to the Foundation during the year ended December 31, 2024.

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

A summary of net assets with donor restrictions consisted of the following at December 31, 2024:

Leadership for Higher Education	\$ 1,356,446
Disaster response	10,984
Nurture potential	27,123
	<u>\$ 1,394,553</u>

A summary of net assets released from donor restrictions is as follows for the year ended December 31, 2024:

Leadership for Higher Education	\$ 3,272
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THE YOUNG LIVING FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS

NOTE 6 – CONCENTRATIONS

At December 31, 2024, the Foundation’s carrying amount of cash was \$3,064,106 and the bank balance was \$3,053,676, of which \$250,000 was covered by federal depository insurance.

The Foundation received most of its contributions from YLEO or YLEO members.

NOTE 7– FAIR VALUE MEASUREMENTS

The Foundation uses various methods to measure the fair value of its investments on a recurring basis. Generally accepted accounting principles establish a hierarchy that prioritizes inputs to valuation methods. The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Foundation has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety, is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

A description of valuation techniques applied to the Foundation’s major categories of assets and liabilities measured at fair value on a recurring basis is as follows:

Mutual funds – Valued at the net asset value of shares held by the Foundation at year end.

Equity securities – Valued based on the quoted price of the shares held by the Foundation at year end.

Limited liability companies – Valued at the net asset value of shares held by the Foundation at year end.

Promissory notes – Valued at the stated principal amount of the promissory note at year end.

	Fair Value	Level 1	Level 2	Level 3
Equity securities	\$ 2,395,200	\$ 2,395,200	\$ -	\$ -
Mutual funds	1,786,462	1,786,462	-	-
Limited liability companies	172,195	-	172,195	-
Promissory notes	220,000	-	220,000	-
Total	<u>\$ 4,573,857</u>	<u>\$ 4,181,662</u>	<u>\$ 392,195</u>	<u>\$ -</u>