

FINANCIAL STATEMENTS



**FOR THE YEARS ENDED
JUNE 30, 2016 AND 2015**

YOUNG SURVIVAL COALITION, INC.

CONTENTS

	PAGE NO.
INDEPENDENT AUDITOR'S REPORT	2 - 3
EXHIBIT A - Statements of Financial Position, as of June 30, 2016 and 2015	4
EXHIBIT B - Statements of Activities and Changes in Net Assets, for the Years Ended June 30, 2016 and 2015	5 - 6
EXHIBIT C - Statements of Cash Flows, for the Years Ended June 30, 2016 and 2015	7
NOTES TO FINANCIAL STATEMENTS	8 - 15
SUPPLEMENTAL INFORMATION	
SCHEDULE 1 - Schedule of Functional Expenses, for the Year Ended June 30, 2016	16
SCHEDULE 2 - Schedule of Functional Expenses, for the Year Ended June 30, 2015	17

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Young Survival Coalition, Inc.
New York, New York

We have audited the accompanying financial statements of Young Survival Coalition, Inc. (YSC), which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of YSC as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Functional Expenses on pages 16 - 17 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "Gelman Rosenberg & Freedman".

January 3, 2017

YOUNG SURVIVAL COALITION, INC.

STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2016 AND 2015

ASSETS

	<u>2016</u>	<u>2015</u>
CURRENT ASSETS		
Cash and cash equivalents:		
Restricted	\$ 64,550	\$ 74,758
Operating	<u>265,555</u>	<u>817,776</u>
Total cash and cash equivalents	330,105	892,534
Investments	12,324	11,025
Contributions and grants receivable, net of allowance for doubtful accounts of \$300 in 2016 and \$37,175 in 2015	306,868	227,366
U.S. Government grants receivable	62,489	274,571
Prepaid expenses and other assets	<u>65,818</u>	<u>35,774</u>
Total current assets	<u>777,604</u>	<u>1,441,270</u>
FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS		
Furniture	50,235	87,709
Software and related computer equipment	68,076	71,903
Website	96,544	43,799
Leasehold improvements	18,025	18,025
Less: Accumulated depreciation and amortization	<u>(122,496)</u>	<u>(129,448)</u>
Net furniture, equipment and leasehold improvements	<u>110,384</u>	<u>91,988</u>
NONCURRENT ASSETS		
Restricted investments	200,000	200,000
Security deposits	<u>81,901</u>	<u>82,295</u>
Total noncurrent assets	<u>281,901</u>	<u>282,295</u>
TOTAL ASSETS	<u>\$ 1,169,889</u>	<u>\$ 1,815,553</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ <u>197,397</u>	\$ <u>328,316</u>
NONCURRENT LIABILITIES		
Deferred rent	<u>175,180</u>	<u>160,812</u>
Total liabilities	<u>372,577</u>	<u>489,128</u>
NET ASSETS		
Unrestricted	512,907	1,042,810
Temporarily restricted	84,405	83,615
Permanently restricted	<u>200,000</u>	<u>200,000</u>
Total net assets	<u>797,312</u>	<u>1,326,425</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,169,889</u>	<u>\$ 1,815,553</u>

See accompanying notes to financial statements.

YOUNG SURVIVAL COALITION, INC.

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

	<u>2016</u>			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE				
Contributions and grants	\$ 3,867,558	\$ 553,000	\$ -	\$ 4,420,558
U.S. Government grants	340,753	-	-	340,753
Interest and investment income	66	2,654	-	2,720
In-kind contributions	19,342	-	-	19,342
Program service fees	117,886	-	-	117,886
Merchandise income	20,862	-	-	20,862
Net assets released from donor restrictions	<u>554,864</u>	<u>(554,864)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>4,921,331</u>	<u>790</u>	<u>-</u>	<u>4,922,121</u>
EXPENSES				
Program Services	<u>4,181,680</u>	<u>-</u>	<u>-</u>	<u>4,181,680</u>
Supporting Services:				
Management and General	564,872	-	-	564,872
Fundraising	<u>704,682</u>	<u>-</u>	<u>-</u>	<u>704,682</u>
Total supporting services	<u>1,269,554</u>	<u>-</u>	<u>-</u>	<u>1,269,554</u>
Total expenses	<u>5,451,234</u>	<u>-</u>	<u>-</u>	<u>5,451,234</u>
Changes in net assets	(529,903)	790	-	(529,113)
Net assets at beginning of year	<u>1,042,810</u>	<u>83,615</u>	<u>200,000</u>	<u>1,326,425</u>
NET ASSETS AT END OF YEAR	<u>\$ 512,907</u>	<u>\$ 84,405</u>	<u>\$ 200,000</u>	<u>\$ 797,312</u>

2015			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 4,231,251	\$ 395,000	\$ -	\$ 4,626,251
274,571	-	-	274,571
177	2,338	-	2,515
12,699	-	-	12,699
93,318	-	-	93,318
20,259	-	-	20,259
<u>399,311</u>	<u>(399,311)</u>	<u>-</u>	<u>-</u>
<u>5,031,586</u>	<u>(1,973)</u>	<u>-</u>	<u>5,029,613</u>
<u>3,954,379</u>	<u>-</u>	<u>-</u>	<u>3,954,379</u>
338,344	-	-	338,344
<u>847,499</u>	<u>-</u>	<u>-</u>	<u>847,499</u>
<u>1,185,843</u>	<u>-</u>	<u>-</u>	<u>1,185,843</u>
<u>5,140,222</u>	<u>-</u>	<u>-</u>	<u>5,140,222</u>
(108,636)	(1,973)	-	(110,609)
<u>1,151,446</u>	<u>85,588</u>	<u>200,000</u>	<u>1,437,034</u>
<u>\$ 1,042,810</u>	<u>\$ 83,615</u>	<u>\$ 200,000</u>	<u>\$ 1,326,425</u>

See accompanying notes to financial statements.

YOUNG SURVIVAL COALITION, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ (529,113)	\$ (110,609)
Adjustments to reconcile changes in net assets to net cash (used) provided by operating activities:		
Depreciation and amortization	46,374	36,558
Unrealized loss on investments	6,051	9,450
Realized loss on sale of investments	3,952	-
Stock donation	(668)	-
Donated equipment	(5,590)	-
(Decrease) increase in allowance for doubtful accounts	(36,875)	23,652
(Increase) decrease in:		
Contributions and grants receivable	(42,627)	223,661
U.S. Government grants receivable	212,082	(274,571)
Prepaid expenses and other assets	(30,044)	(5,975)
Security deposits	394	5,474
Increase (decrease) in:		
Accounts payable and accrued liabilities	(130,919)	142,219
Deferred rent	<u>14,368</u>	<u>55,404</u>
Net cash (used) provided by operating activities	<u>(492,615)</u>	<u>105,263</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of furniture, equipment and leasehold improvements	(59,180)	(7,791)
Proceeds from sales of investments	35,855	-
Purchases of investments	<u>(46,489)</u>	<u>(11,789)</u>
Net cash used by investing activities	<u>(69,814)</u>	<u>(19,580)</u>
Net (decrease) increase in cash and cash equivalents	(562,429)	85,683
Cash and cash equivalents at beginning of year	<u>892,534</u>	<u>806,851</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 330,105</u>	<u>\$ 892,534</u>

YOUNG SURVIVAL COALITION, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

Young Survival Coalition, Inc. (YSC) is a non-profit organization, founded in 1998 and incorporated in the State of New York. YSC is the largest national organization dedicated to the critical issues unique to young women who are diagnosed with breast cancer. YSC offers resources, connections and outreach so women feel supported, empowered and hopeful.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with FASB ASC 958, *Not-for-Profit Entities*.

Cash and cash equivalents -

YSC considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000. At times during the year, YSC maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Contributions and grants receivable -

Contributions and grants receivable are recorded at their net realizable value, which approximates fair value. The allowance for doubtful accounts is determined based upon an annual review of account balances, including the age of the balance and the historical experience with the donor.

Investments -

Investments are recorded at fair value. Unrealized and realized gains and losses are included in interest and investment income in the Statements of Activities and Changes in Net Assets.

Furniture, equipment and leasehold improvements -

Furniture, equipment and leasehold improvements are stated at cost. Furniture and equipment with an acquisition value of \$2,500 (and above) are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to five years. As costs are incurred in developing and enhancing the YSC website, they are capitalized and are amortized over a three year period. Payments for leasehold improvements are amortized over the life of the lease. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation and amortization expense for the years ended June 30, 2016 and 2015 totaled \$46,374 and \$36,558, respectively.

Income taxes -

YSC is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. YSC is not a private foundation.

YOUNG SURVIVAL COALITION, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**
(Continued)

Uncertain tax positions -

For the years ended June 30, 2016 and 2015, YSC has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

Net asset classification -

The net assets are reported in three self-balancing groups as follows:

- **Unrestricted net assets** include unrestricted revenue and contributions received without donor-imposed restrictions. These net assets are available for the operation of YSC and include both internally designated and undesignated resources.
- **Temporarily restricted net assets** include revenue and contributions subject to donor-imposed stipulations that will be met by the actions of YSC and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities and Changes in Net Assets as net assets released from restrictions.
- **Permanently restricted net assets** represent funds restricted by the donor to be maintained in-perpetuity by YSC. As of June 30, 2016 and 2015, YSC had \$200,000 of permanently restricted contributions from donors to be invested in-perpetuity. Interest earned on permanently restricted contributions is recorded as temporarily restricted revenue (during the year earned) and can only be used for the purpose specified by the donor (Notes 3 and 10).

Revenue recognition -

Unrestricted and temporarily restricted contributions and grants are recorded as revenue in the year notification is received from the donor. Temporarily restricted contributions and grants are recognized as unrestricted support only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Such funds in excess of expenses incurred are shown as temporarily restricted net assets in the accompanying financial statements.

Grants and contracts provided by the U.S. Government and pass-through agencies are treated as exchange transactions, and accordingly, unrestricted revenue is recognized when qualifying expenditures are incurred.

Program service fee revenue consists of attendance and exhibitor fees and is recognized when the event takes place.

In-kind contributions -

YSC receives contributions of professional services (pro-bono) and equipment considered "in-kind", all in furtherance of its programmatic purposes.

YOUNG SURVIVAL COALITION, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

In-kind contributions (continued) -

During the years ended June 30, 2016 and 2015, contributions of \$19,342 and \$12,699, respectively, representing the fair value of these contributions, have been included in current year revenue (and program services expense) in the accompanying Statements of Activities and Changes in Net Assets.

YSC also receives additional in-kind contributions for which an estimate of fair value is not determinable.

Use of estimates -

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Risks and uncertainties -

YSC invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Fair value measurement -

YSC adopted the provisions of FASB ASC 820, *Fair Value Measurement*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements. YSC accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

2. INVESTMENTS

Investments consisted of the following at June 30, 2016 and 2015:

	<u>2016</u>		<u>2015</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Mutual Funds	<u>\$ 226,560</u>	<u>\$ 212,324</u>	<u>\$ 219,210</u>	<u>\$ 211,025</u>

YOUNG SURVIVAL COALITION, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

2. INVESTMENTS (Continued)

Included in interest and investment income are the following:

	<u>2016</u>	<u>2015</u>
Interest and dividends	\$ 8,771	\$ 11,965
Unrealized loss on investments	<u>(6,051)</u>	<u>(9,450)</u>
TOTAL INTEREST AND INVESTMENT INCOME	<u>\$ 2,720</u>	<u>\$ 2,515</u>

3. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at June 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Metastatic Initiatives	\$ -	\$ 27,446
RISE	29,738	-
Earnings on permanently restricted net assets	9,667	8,669
Sync Fund	35,000	47,500
Time restricted	<u>10,000</u>	<u>-</u>
	<u>\$ 84,405</u>	<u>\$ 83,615</u>

4. NET ASSETS RELEASED FROM RESTRICTIONS

The following temporarily restricted net assets were released from donor restrictions by incurring expenses which satisfied the restricted purposes specified by the donors:

	<u>2016</u>	<u>2015</u>
Annual Conference	\$ 150,000	\$ 200,000
Metastatic Initiatives	27,445	37,554
RISE	20,263	-
Net uses of endowment earnings	1,656	2,031
Sync Fund	132,500	114,726
Passage of time	<u>223,000</u>	<u>45,000</u>
	<u>\$ 554,864</u>	<u>\$ 399,311</u>

5. LEASE COMMITMENTS

On June 19, 2013, YSC entered into a 127-month operating lease agreement (for its principal office space in New York City) which commenced on September 25, 2013 (the actual possession date). As a part of the agreement, YSC was not obligated to pay rent for the first five months of occupancy (beginning on the possession date); further, YSC is not obligated to pay rent for two additional months beginning on the first anniversary of the lease possession date. YSC is required to pay an annual escalation (approximately 2.3%) and its pro-rata share of the building's operating expenses and real estate taxes. As the lease agreement includes an annual escalation and also provides for seven months free rent, generally accepted accounting principles require that the total rent commitment should be recognized on a straight-line basis over the term of the lease.

YOUNG SURVIVAL COALITION, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

5. LEASE COMMITMENTS (Continued)

Accordingly, the difference between the actual monthly payments and the rent expense being recognized for financial statement purposes is being deferred (amortized over the term of the lease agreement). As of June 30, 2016 and 2015, the deferred rent liability aggregated \$175,180 and \$160,812, respectively.

During October 2016, YSC entered into a 37-month agreement for office space in Atlanta (after its month-to-month lease terminated). Base rent required under the agreement is \$25,105 for the first year of the term, however, the lease provides an abatement of the first month following the commencement date. Annual rent will increase by 3.5% each year of the term, effective on each anniversary of the initial month of payment (taking the abatement into consideration).

YSC also leased office space in Indianapolis during the year ended June 30, 2016, however, the lease expired on May 31, 2016 and was not renewed.

Following is a schedule of future minimum lease payments required under all office leases:

<u>Year Ending June 30,</u>	
2017	\$ 248,770
2018	256,138
2019	275,239
2020	270,009
2021	264,845
Thereafter	<u>784,723</u>
	<u>\$ 2,099,724</u>

During the years ended June 30, 2016 and 2015, occupancy expense totaled \$297,885 and \$304,129, respectively.

6. COMMITMENTS

YSC is committed under agreements for conference space through the year 2017. The total commitments under the agreements are not determinable as it depends upon attendance and other unknown factors. There are cancellation penalties that would be due if the agreements were cancelled prior to the event date. The amount of the cancellation penalties increase through the date of the event.

7. LINE OF CREDIT

YSC maintains a \$150,000 line of credit with a local financial institution. The line of credit bears interest of 6.00% and matures on January 4, 2017. The line of credit is secured by YSC's cash, receivables and capital assets. As of June 30, 2016 and 2015, there were no outstanding borrowings.

8. RETIREMENT PLAN

On January 1, 2006, YSC established a retirement plan (the Plan) under IRS Section 401(k) of the Internal Revenue Code. Participation in the Plan is available to all employees who have completed six months of service and have attained 21 years in age.

YOUNG SURVIVAL COALITION, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

8. RETIREMENT PLAN

YSC provides a match for all employee contributions to the Plan on a discretionary basis. Beginning January 1, 2015, YSC amended the Plan to provide a 3% safe harbor non-elective contribution for all employees. During the years ended June 30, 2016 and 2015, YSC contributed \$60,507 and \$34,017, respectively, to the Plan.

9. FAIR VALUE MEASUREMENT

In accordance with FASB ASC 820, *Fair Value Measurement*, YSC has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Investments recorded in the Statements of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market YSC has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used at June 30, 2016.

Mutual funds - The fair value is equal to the reported net asset value of the fund, which is the price at which additional shares can be obtained.

The table below summarizes, by level within the fair value hierarchy, YSC's investments as of June 30, 2016:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Asset Class: Mutual Funds	\$ <u>212,324</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>212,324</u>

The table below summarizes, by level within the fair value hierarchy, YSC's investments as of June 30, 2015:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Asset Class: Mutual Funds	\$ <u>211,025</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>211,025</u>

YOUNG SURVIVAL COALITION, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

10. ENDOWMENT

YSC's endowment consists of donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, YSC classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by YSC in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, YSC considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purpose of YSC and the donor-restricted endowment fund;
- General economic conditions and the possible effect of inflation and deflation;
- The expected total return from income and the appreciation of any investments; and
- Investment policies of YSC.

Endowment net asset composition by type of fund as of June 30, 2016:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
TOTAL FUNDS	\$ <u>9,667</u>	\$ <u>200,000</u>
Endowment net assets at fair value, beginning of year	\$ 8,669	\$ 200,000
Net investment (loss) income, net of fees and releases	(1,656)	2,654
Transfer of net investment income (loss)	<u>2,654</u>	<u>(2,654)</u>
ENDOWMENT NET ASSETS, END OF YEAR	\$ <u>9,667</u>	\$ <u>200,000</u>

Endowment net asset composition by type of fund as of June 30, 2015:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
TOTAL FUNDS	\$ <u>8,669</u>	\$ <u>200,000</u>
Endowment net assets at fair value, beginning of year	\$ 8,362	\$ 200,000
Net investment (loss) income, net of fees and releases	(2,031)	2,338
Transfer of net investment income (loss)	<u>2,338</u>	<u>(2,338)</u>
ENDOWMENT NET ASSETS, END OF YEAR	\$ <u>8,669</u>	\$ <u>200,000</u>

YOUNG SURVIVAL COALITION, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

10. ENDOWMENT (Continued)

Funds with Deficiencies -

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the organization to retain as fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets (there were no deficiencies as of June 30, 2016 and 2015).

Return Objectives and Risk Parameters -

YSC has not adopted investment and spending policies for its endowment assets; its goal is simply to preserve the endowment asset corpus. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s) as well as Board-designated funds. As approved by the Board of Directors, the endowment assets are invested conservatively in mutual funds in order to ensure minimal or no exposure to market fluctuation. YSC expects its endowment funds, over time, to provide a minimal rate of return; actual returns in any given year may vary from expectation, depending on market conditions.

Spending Policy and How the Investment Objectives Relate to Spending Policy -

YSC does not have a policy of appropriating distributions; until such time when a policy is established, the funds will continue to grow at a minimal level while maintaining the endowment corpus.

Subsequent Event -

Subsequent to June 30, 2016, all permanently restricted endowment funds were released from restrictions and transferred into unrestricted net assets. A memorandum of understanding between the donor and YSC authorizing the release of such funds was completed on August 1, 2016 and approved by the Board of Directors on October 1, 2016.

11. SUBSEQUENT EVENTS

In preparing these financial statements, YSC has evaluated events and transactions for potential recognition or disclosure through January 3, 2017, the date the financial statements were issued.

SUPPLEMENTAL INFORMATION

YOUNG SURVIVAL COALITION, INC.

SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Supporting Services</u>				<u>Total Expenses</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	
Salaries and related benefits	\$ 2,254,146	\$ 245,689	\$ 349,218	\$ 594,907	\$ 2,849,053
Printing and production	29,227	48	6,279	6,327	35,554
Professional fees	33,224	183,395	5,002	188,397	221,621
Occupancy	203,406	63,405	31,074	94,479	297,885
Insurance	-	11,077	-	11,077	11,077
Depreciation and amortization	31,659	9,883	4,832	14,715	46,374
Telecommunications	59,423	18,078	8,940	27,018	86,441
Travel, meals and entertainment	367,482	1,143	17,349	18,492	385,974
Consulting fees	211,399	6,811	53,861	60,672	272,071
Postage and delivery	65,037	1,933	4,376	6,309	71,346
Supplies	18,641	2,429	3,599	6,028	24,669
Subscriptions and publications	33,071	635	3,361	3,996	37,067
Advertising and promotion	87,974	114	12,076	12,190	100,164
Conferences, meetings and events	524,581	183	161,187	161,370	685,951
Bank, credit card and payroll processing fees	81,940	8,754	23,605	32,359	114,299
Equipment and rental	27,183	5,069	4,706	9,775	36,958
Grants, gifts and scholarships	71,394	21	12	33	71,427
Sales tax	407	127	62	189	596
Cost of goods sold/distributed	65,496	-	12,039	12,039	77,535
Uncollectible pledges	2,251	703	344	1,047	3,298
Licenses, registrations and permits	13,739	5,375	2,760	8,135	21,874
TOTAL	\$ 4,181,680	\$ 564,872	\$ 704,682	\$ 1,269,554	\$ 5,451,234

YOUNG SURVIVAL COALITION, INC.

SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Supporting Services</u>				<u>Total Expenses</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	
Salaries and related benefits	\$ 1,895,621	\$ 171,551	\$ 410,142	\$ 581,693	\$ 2,477,314
Printing and production	129,117	5,406	22,982	28,388	157,505
Professional fees	89,219	55,534	17,324	72,858	162,077
Occupancy	228,804	25,777	49,548	75,325	304,129
Insurance	9,442	833	2,046	2,879	12,321
Depreciation and amortization	28,435	1,960	6,163	8,123	36,558
Telecommunications	62,228	5,524	13,325	18,849	81,077
Travel, meals and entertainment	323,768	11,357	14,979	26,336	350,104
Consulting fees	302,116	14,379	98,551	112,930	415,046
Postage and delivery	52,354	928	13,687	14,615	66,969
Supplies	14,415	1,958	3,106	5,064	19,479
Subscriptions and publications	13,229	9,354	195	9,549	22,778
Advertising and promotion	19,178	103	2,441	2,544	21,722
Conferences, meetings and events	558,449	1,572	141,333	142,905	701,354
Bank, credit card and payroll processing fees	78,802	6,135	39,869	46,004	124,806
Equipment and rental	23,091	1,301	6,473	7,774	30,865
Grants, gifts and scholarships	85,459	619	452	1,071	86,530
Sales tax	451	40	98	138	589
Cost of goods sold/distributed	29,317	-	2,189	2,189	31,506
Uncollectible pledges	-	23,652	-	23,652	23,652
Licenses, registrations and permits	10,884	361	2,596	2,957	13,841
TOTAL	\$ 3,954,379	\$ 338,344	\$ 847,499	\$ 1,185,843	\$ 5,140,222