

FINANCIAL STATEMENTS



**FOR THE YEARS ENDED
JUNE 30, 2018 AND 2017**

YOUNG SURVIVAL COALITION, INC.

CONTENTS

	PAGE NO.
INDEPENDENT AUDITOR'S REPORT	2 - 3
EXHIBIT A - Statements of Financial Position, as of June 30, 2018 and 2017	4
EXHIBIT B - Statements of Activities and Changes in Net Assets, for the Years Ended June 30, 2018 and 2017	5 - 6
EXHIBIT C - Statements of Cash Flows, for the Years Ended June 30, 2018 and 2017	7
NOTES TO FINANCIAL STATEMENTS	8 - 15
SUPPLEMENTAL INFORMATION	
SCHEDULE 1 - Schedule of Functional Expenses, for the Year Ended June 30, 2018	16
SCHEDULE 2 - Schedule of Functional Expenses, for the Year Ended June 30, 2017	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, 2018 and 2017, 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, 2018 and 2017, 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 14, 2019

YOUNG SURVIVAL COALITION, INC.

STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2018 AND 2017

ASSETS

	<u>2018</u>	<u>2017</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 421,737	\$ 422,666
Investments	226,672	221,765
Contributions and grants receivable, net of allowance for doubtful accounts of \$4,000 in 2018	371,121	307,762
U.S. Government grants receivable	73,727	100,292
Prepaid expenses and other assets	<u>97,712</u>	<u>54,420</u>
Total current assets	<u>1,190,969</u>	<u>1,106,905</u>
FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS		
Furniture	50,235	50,235
Software and related computer equipment	55,468	55,468
Website	52,745	52,745
Leasehold improvements	18,025	18,025
Less: Accumulated depreciation and amortization	<u>(130,654)</u>	<u>(98,621)</u>
Net furniture, equipment and leasehold improvements	<u>45,819</u>	<u>77,852</u>
NONCURRENT ASSETS		
Security deposits	<u>83,333</u>	<u>85,409</u>
TOTAL ASSETS	\$ <u>1,320,121</u>	\$ <u>1,270,166</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 233,987	\$ 182,749
Deferred rent	<u>15,341</u>	<u>-</u>
Total current liabilities	249,328	182,749
NONCURRENT LIABILITIES		
Deferred rent	<u>175,105</u>	<u>186,686</u>
Total liabilities	<u>424,433</u>	<u>369,435</u>
NET ASSETS		
Unrestricted	836,252	812,458
Temporarily restricted	<u>59,436</u>	<u>88,273</u>
Total net assets	<u>895,688</u>	<u>900,731</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>1,320,121</u>	\$ <u>1,270,166</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, 2018 AND 2017**

	<u>2018</u>			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE				
Contributions and grants	\$ 3,181,753	\$ 468,700	\$ -	\$ 3,650,453
U.S. Government grants	363,133	-	-	363,133
Interest and investment income	6,938	-	-	6,938
In-kind contributions	29,111	-	-	29,111
Program service fees	93,894	-	-	93,894
Merchandise income	14,506	-	-	14,506
Net assets released from donor restrictions	<u>497,537</u>	<u>(497,537)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>4,186,872</u>	<u>(28,837)</u>	<u>-</u>	<u>4,158,035</u>
EXPENSES				
Program Services	<u>3,260,239</u>	<u>-</u>	<u>-</u>	<u>3,260,239</u>
Supporting Services:				
Management and General	551,807	-	-	551,807
Fundraising	<u>351,032</u>	<u>-</u>	<u>-</u>	<u>351,032</u>
Total supporting services	<u>902,839</u>	<u>-</u>	<u>-</u>	<u>902,839</u>
Total expenses	<u>4,163,078</u>	<u>-</u>	<u>-</u>	<u>4,163,078</u>
Changes in net assets	23,794	(28,837)	-	(5,043)
Net assets at beginning of year	<u>812,458</u>	<u>88,273</u>	<u>-</u>	<u>900,731</u>
NET ASSETS AT END OF YEAR	<u>\$ 836,252</u>	<u>\$ 59,436</u>	<u>\$ -</u>	<u>\$ 895,688</u>

2017			
<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
\$ 3,615,137	\$ 533,940	\$ -	\$ 4,149,077
322,760	-	-	322,760
13,090	-	-	13,090
46,882	-	-	46,882
93,287	-	-	93,287
18,460	-	-	18,460
<u>730,072</u>	<u>(530,072)</u>	<u>(200,000)</u>	<u>-</u>
<u>4,839,688</u>	<u>3,868</u>	<u>(200,000)</u>	<u>4,643,556</u>
<u>3,557,950</u>	<u>-</u>	<u>-</u>	<u>3,557,950</u>
521,658	-	-	521,658
<u>460,529</u>	<u>-</u>	<u>-</u>	<u>460,529</u>
<u>982,187</u>	<u>-</u>	<u>-</u>	<u>982,187</u>
<u>4,540,137</u>	<u>-</u>	<u>-</u>	<u>4,540,137</u>
299,551	3,868	(200,000)	103,419
<u>512,907</u>	<u>84,405</u>	<u>200,000</u>	<u>797,312</u>
<u>\$ 812,458</u>	<u>\$ 88,273</u>	<u>\$ -</u>	<u>\$ 900,731</u>

YOUNG SURVIVAL COALITION, INC.

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ (5,043)	\$ 103,419
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	32,033	32,106
Loss on disposal of software	-	426
Unrealized loss (gain) on investments	2,300	(6,289)
Realized loss on sale of investments	1,348	4,968
Change in allowance for doubtful accounts	4,000	(300)
(Increase) decrease in:		
Contributions and grants receivable	(67,359)	(594)
U.S. Government grants receivable	26,565	(37,803)
Prepaid expenses and other assets	(43,292)	11,398
Security deposits	2,076	(3,508)
Increase (decrease) in:		
Accounts payable and accrued liabilities	51,238	(14,648)
Deferred rent	<u>3,760</u>	<u>11,506</u>
Net cash provided by operating activities	<u>7,626</u>	<u>100,681</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investments	2,237	28,078
Purchases of investments	<u>(10,792)</u>	<u>(36,198)</u>
Net cash used by investing activities	<u>(8,555)</u>	<u>(8,120)</u>
Net (decrease) increase in cash and cash equivalents	(929)	92,561
Cash and cash equivalents at beginning of year	<u>422,666</u>	<u>330,105</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 421,737</u>	<u>\$ 422,666</u>

YOUNG SURVIVAL COALITION, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

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. All receivables are expected to be collected in one year or less.

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 \$5,000 (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 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, 2018 and 2017 totaled \$32,033 and \$32,106, 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, 2018 AND 2017

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

Uncertain tax positions -

For the years ended June 30, 2018 and 2017, 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, 2018 and 2017, YSC had no permanently restricted funds (Note 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 in the period the event takes place.

In-kind contributions -

YSC receives contributions of professional services (pro-bono), credit card reward points and event equipment considered "in-kind", all in furtherance of its programmatic purposes. During the years ended June 30, 2018 and 2017, contributions of \$29,111 and \$46,882, respectively, representing the fair value of these contributions, have been included in current year revenue (and allocated across functional expense areas) in the accompanying Statements of Activities and Changes in Net Assets.

YOUNG SURVIVAL COALITION, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

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

In-kind contributions (continued) -

YSC also receives additional in-kind volunteer 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.

New accounting pronouncements (not yet adopted) -

In August 2016, the FASB issued ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* (Topic 958), intended to improve financial reporting for not-for-profit entities. The ASU will reduce the current three classes of net assets into two: with and without donor restrictions. The change in each of the classes of net assets must be reported on the Statements of Activities and Changes in Net Assets. The ASU also requires various enhanced disclosures around topics such as board designations, liquidity, functional classification of expenses, investment expenses, donor restrictions, and underwater endowments. The ASU is effective for fiscal years beginning after December 15, 2017. Early adoption is permitted. The ASU should be applied on a retrospective basis in the year the ASU is first applied. While the ASU will change the presentation of YSC's financial statements, it is not expected to alter YSC's reported financial position.

YOUNG SURVIVAL COALITION, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

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

New accounting pronouncements (not yet adopted) (continued) -

In June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, which is intended to clarify and improve current guidance about whether a transfer of assets is an exchange transaction or a contribution. The amendments in this ASU provide a more robust framework to determine when a transaction should be accounted for as a contribution under Subtopic 958-605 or as an exchange transaction accounted for under other guidance (for example, Topic 606). The amendments also provide additional guidance about how to determine whether a contribution is conditional or unconditional. The amendments in this ASU could result in more grants and contracts being accounted for as contributions than under previous GAAP. The ASU recommends application on a modified prospective basis; however, retrospective application is permitted. YSC has not yet decided on a transition method. The ASU is effective for fiscal years beginning after December 15, 2018.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). The ASU establishes a comprehensive revenue recognition standard for virtually all industries under generally accepted accounting principles in the United States (U.S. GAAP) including those that previously followed industry-specific guidance. The guidance states that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The FASB issued ASU 2015-14 in August 2015 that deferred the effective date of ASU 2014-09 by a year; thus, the effective date is fiscal years beginning after December 15, 2018. Early adoption is permitted. YSC has not yet selected a transition method and is currently evaluating the effect that the updated standard will have on its financial statements.

In 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The ASU changes the accounting treatment for operating leases by recognizing a lease asset and lease liability at the present value of the lease payments in the statement of financial position and disclosing key information about leasing arrangements. The ASU is effective for private entities for fiscal years beginning after December 15, 2019. Early adoption is permitted. The ASU should be applied at the beginning of the earliest period presented using a modified retrospective approach.

YSC plans to adopt the new ASUs at the respective required implementation dates.

2. INVESTMENTS

Investments consisted of the following at June 30, 2018 and 2017:

	2018		2017	
	Cost	Fair Value	Cost	Fair Value
Mutual Funds:				
Fixed income	\$ 215,564	\$ 205,563	\$ 209,651	\$ 202,455
Domestic equities	21,356	21,109	20,062	19,310
TOTAL INVESTMENTS	\$ 236,920	\$ 226,672	\$ 229,713	\$ 221,765

YOUNG SURVIVAL COALITION, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

2. INVESTMENTS (Continued)

Included in interest and investment income are the following at June 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Interest and dividends	\$ 10,586	\$ 11,769
Unrealized (loss) gain on investments	(2,300)	6,289
Realized loss on sales of investments	<u>(1,348)</u>	<u>(4,968)</u>
TOTAL INTEREST AND INVESTMENT INCOME	<u>\$ 6,938</u>	<u>\$ 13,090</u>

3. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at June 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Tour de Pink Survivor Bikes Program	\$ -	\$ 1,515
Metastatic Initiatives	8,753	-
RISE Program	9,433	24,089
Sync Fund	41,250	52,669
Time restricted	<u>-</u>	<u>10,000</u>
TOTAL TEMPORARILY RESTRICTED NET ASSETS	<u>\$ 59,436</u>	<u>\$ 88,273</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>2018</u>	<u>2017</u>
Tour de Pink Survivor Bikes Program	\$ 2,016	\$ 2,426
Metastatic Initiatives	31,247	-
RISE Program	39,655	40,648
Net uses of endowment earnings	-	9,667
Donor release of restriction on endowment	-	200,000
Sync Fund	198,919	92,331
Passage of time	<u>225,700</u>	<u>385,000</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>\$ 497,537</u>	<u>\$ 730,072</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 was not obligated to pay rent for two additional months beginning on the first anniversary of the lease possession date.

YOUNG SURVIVAL COALITION, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

5. LEASE COMMITMENTS (Continued)

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.

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).

As these two lease agreement include an annual escalation and also provide 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. 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, 2018 and 2017, the deferred rent liability aggregated \$190,446 and \$186,686, respectively.

On November 7, 2018, YSC entered into a 62-month agreement for office space in New York. Base rent required under the agreement is \$7,456 per month; however, the lease provides an abatement of the first two months following the commencement date (December 2018 and January 2019). Annual rent will increase by 2.5% each year of the term, effective on each anniversary of the initial month of payment. The lease agreement also requires a security deposit totaling \$39,191, which was paid during November 2018.

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

Year Ending June 30,

2019	\$ 319,974
2020	360,972
2021	358,082
2022	366,605
2023	375,341
Thereafter	<u>286,094</u>
	<u>\$ 2,067,068</u>

During the years ended June 30, 2018 and 2017, occupancy expense totaled \$266,035 and \$265,133, respectively.

On October 18, 2018, YSC entered into an agreement (effective November 15, 2018) to sublease its office space at 80 Broad Street. The agreement required the sublessee to pay a security deposit in the amount of \$81,900; additionally, the agreement also provided for one month (January 2019) of rental abatement. The sublease agreement will expire on April 29, 2024.

The following is a schedule of the future minimum rental income under the sublease agreement:

Year Ending June 30,

2019	\$ 143,813
2020	267,467
2021	273,725
2022	280,139
2023	286,713
Thereafter	<u>244,261</u>
	<u>\$ 1,496,118</u>

YOUNG SURVIVAL COALITION, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

6. COMMITMENTS

YSC is committed under agreements for conference space through the year 2019. 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 7.75% and matures on January 4, 2019. The line of credit is secured by YSC's cash, receivables and capital assets. As of June 30, 2018 and 2017, 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.

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, 2018 and 2017, YSC contributed \$40,928 and \$43,261, 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.

YOUNG SURVIVAL COALITION, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

9. FAIR VALUE MEASUREMENT (Continued)

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, 2018.

- *Mutual funds* - Valued at the daily closing price as reported by the fund. Mutual funds held by YSC are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily value and to transact at that price. Mutual funds held by YSC are deemed to be actively traded.
- *Equities* - Valued at the closing price reported on the active market in which the individual securities are traded.

The table below summarizes, by level within the fair value hierarchy, YSC's investments as of June 30, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Asset Class - Mutual Funds:				
Fixed income	\$ 205,563	\$ -	\$ -	\$ 205,563
Domestic equities	<u>21,109</u>	<u>-</u>	<u>-</u>	<u>21,109</u>
TOTAL INVESTMENTS	<u>\$ 226,672</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 226,672</u>

The table below summarizes, by level within the fair value hierarchy, YSC's investments as of June 30, 2017:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Asset Class - Mutual Funds:				
Fixed income	\$ 202,455	\$ -	\$ -	\$ 202,455
Domestic equities	<u>19,310</u>	<u>-</u>	<u>-</u>	<u>19,310</u>
TOTAL INVESTMENTS	<u>\$ 221,765</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 221,765</u>

10. ENDOWMENT

During 2017, 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 14, 2019, the date the financial statements were issued.

SUPPLEMENTAL INFORMATION

YOUNG SURVIVAL COALITION, INC.

SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Supporting Services</u>			<u>Total Supporting Services</u>	<u>Total Expenses</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>		
Salaries and related benefits	\$ 1,587,582	\$ 248,407	\$ 134,460	\$ 382,867	\$ 1,970,449
Printing and production	34,824	65	1,650	1,715	36,539
Professional fees	25,449	143,111	2,598	145,709	171,158
Occupancy	176,980	72,622	16,433	89,055	266,035
Insurance	-	13,959	-	13,959	13,959
Depreciation and amortization	21,310	8,744	1,979	10,723	32,033
Telecommunications	49,216	19,812	4,677	24,489	73,705
Travel, meals and entertainment	178,791	1,943	24,627	26,570	205,361
Consulting fees	119,154	1,977	3,912	5,889	125,043
Postage and delivery	42,115	1,951	1,582	3,533	45,648
Supplies	20,485	1,733	4,080	5,813	26,298
Subscriptions and publications	29,291	242	3,861	4,103	33,394
Webhosting, software and licensing	82,168	6,833	6,534	13,367	95,535
Advertising and promotion	60,775	338	6,998	7,336	68,111
Conferences, meetings and events	579,301	-	103,592	103,592	682,893
Bank, credit card and payroll processing fees	81,838	15,599	16,253	31,852	113,690
Equipment and rental	11,532	2,243	1,833	4,076	15,608
Grants, gifts and scholarships	77,657	87	20	107	77,764
Sales tax	16	7	2	9	25
Cost of goods sold/distributed	51,626	17	10,750	10,767	62,393
Uncollectible pledges	14,303	5,869	1,328	7,197	21,500
Licenses, registrations and permits	15,826	6,248	3,863	10,111	25,937
TOTAL	\$ 3,260,239	\$ 551,807	\$ 351,032	\$ 902,839	\$ 4,163,078

YOUNG SURVIVAL COALITION, INC.

SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Supporting Services</u>			<u>Total Supporting Services</u>	<u>Total Expenses</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>		
Salaries and related benefits	\$ 1,806,436	\$ 239,020	\$ 215,733	\$ 454,753	\$ 2,261,189
Printing and production	30,397	137	746	883	31,280
Professional fees	60,423	145,473	8,719	154,192	214,615
Occupancy	179,476	63,656	22,001	85,657	265,133
Insurance	-	4,446	-	4,446	4,446
Depreciation and amortization	22,022	7,384	2,700	10,084	32,106
Telecommunications	50,619	17,600	6,128	23,728	74,347
Travel, meals and entertainment	146,520	1,702	21,828	23,530	170,050
Consulting fees	139,520	5,306	8,387	13,693	153,213
Postage and delivery	47,560	2,002	2,247	4,249	51,809
Supplies	19,305	1,510	3,972	5,482	24,787
Subscriptions and publications	16,853	290	10,561	10,851	27,704
Webhosting, software and licensing	89,100	5,655	6,487	12,142	101,242
Advertising and promotion	52,342	164	13,487	13,651	65,993
Conferences, meetings and events	570,298	-	99,051	99,051	669,349
Bank, credit card and payroll processing fees	92,690	15,622	22,332	37,954	130,644
Equipment and rental	15,233	3,634	2,409	6,043	21,276
Grants, gifts and scholarships	87,891	7	4	11	87,902
Sales tax	59,716	14	5	19	59,735
Cost of goods sold/distributed	52,234	40	9,943	9,983	62,217
Uncollectible pledges	7,082	2,512	868	3,380	10,462
Licenses, registrations and permits	12,233	5,484	2,921	8,405	20,638
TOTAL	\$ 3,557,950	\$ 521,658	\$ 460,529	\$ 982,187	\$ 4,540,137