

THE YOUNG AMERICANS, INC.

**FINANCIAL STATEMENTS WITH
SUPPLEMENTARY INFORMATION**

JUNE 30, 2016 AND 2015

**WITH INDEPENDENT AUDITORS'
REPORT THEREON**

THE YOUNG AMERICANS, INC.

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A FINANCIAL PERSPECTIVE OF THE YOUNG AMERICANS PAST, PRESENT, AND FUTURE

MISSION STATEMENT

The Young Americans, Inc. is a tax exempt 501(c)(3) non-profit, charitable and educational corporation dedicated to the promotion of understanding and goodwill among people throughout the world through music, dance, performance, academic education and cultural interaction among Student Members and their audiences.

It is the intention of The Young Americans organization that Student Members be a mixture of both religious and non-religious beliefs. Student Members will also have differing political persuasions. The Young Americans organization, however, does not endorse any religious affiliation or political agenda, nor does it have any shareholders to satisfy.

Student Members are accepted into the organization based upon their talent and their interest in helping other students throughout America and the world to attain self-confidence, self-esteem, and respect for others through music, dance, and performance.

The Student Members of The Young Americans are never paid as performers for the organization. As such, their participation is intended to be educational and not intended to be an occupation. The Young Americans are simply a group of talented young people who attend college level classes, sing, dance, teach others, learn from others, and entertain throughout the world.

THE BOARD OF DIRECTORS

The Young Americans was founded in 1962 by Milton C. Anderson. The group was the first choir to put movement to the music it sang. In fact, the show choir movement began through The Young Americans influencing the teachers of the nation when they performed on the leading television variety shows of the 1960s and 1970s. The Young Americans, Inc., formed in 1992, is governed by a Board of Directors.

Many members of the Board of Directors are former members of The Young Americans. They now serve as fiduciaries who are responsible for furthering the purposes and principles set forth in the Mission Statement. Each Director brings to the organization his or her own life experiences and expertise, including: finance, law, business management, education, communications, performance, and entertainment production.

HISTORY

The Past

Bing Crosby was the first to have The Young Americans on his NBC-TV specials. What followed was over 40 years of continued success with appearances on Johnny Carson's Tonight Show and The Ed Sullivan Show on CBS-TV out of New York City. Red Skelton had the group perform "Singing in the Rain" at CBS Television City in Hollywood, where they flooded the entire studio with real rain for the show (they've never done that for any other performer!). The group performed with Julie Andrews at ABC, Dean Martin at NBC, Andy Williams, Jimmy Durante, George Burns and many others. Judy Garland performed a full-length concert with The Young Americans at the

A FINANCIAL PERSPECTIVE OF THE YOUNG AMERICANS
PAST, PRESENT, AND FUTURE
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Greek Theatre in Los Angeles. In this legendary theater, the group also performed with Johnny Mathis and Henry Mancini.

The Young Americans won the Academy Award (Oscar) in 1969 for its full-length documentary with Columbia Motion Pictures. In 1967, the group performed in the Academy Awards Show singing the award-winning song "Born Free." The Young Americans recorded five major albums released by such companies as RCA-Victor and ABC Records, and produced its own hour-long TV special for ABC television, sponsored by Corning Glass.

1970s-1980s

The Young Americans traveled in the Pacific Rim countries of Japan, Thailand, the Philippines, Singapore, Hong Kong, Australia, and Korea, performing for full houses in every venue in which they performed. For three consecutive summers, the group performed nightly on a stage beside the Mediterranean Sea on the French Riviera. During this time, they also performed ten National Tours for Columbia Artists, including: The Young Americans in Concert I, II, III, IV and V, the Gershwin Special, To Richard Rodgers with Love, National Touring Companies of Oklahoma!, The Music Man, West Side Story and Around the World in 80 Days, an original musical.

Throughout the years, The Young Americans have performed for six American Presidents on separate occasions and performed for Kings and Princesses throughout the world. The Young Americans performed at the foot of the Washington Monument in Washington, D.C. on a special stage that was built just for this event during the summer of our nation's Bicentennial Celebrations in 1976. The group performed every night that summer for over 5,000 people each evening.

The Young Americans performed in the finest theaters and arenas throughout this nation and the world, including Madison Square Garden in NYC, the Hollywood Bowl in LA, the Cow Palace in San Francisco, Victory Place in Canada and premiere performances on the big stages in Disneyland and Disney World, at the LA Coliseum and MacArthur Place in Chicago, as well as packaged theatrical performances for Chevrolet and IBM. Pepsi-Cola, Coca-Cola, Trans-American Insurance, Amway, Toyota, Frito-Lay and countless other corporate functions have taken the group to locales from Hawaii to Florida, New York to Los Angeles, and Detroit to Denver.

1990s

In 1992, The Young Americans launched its International Music Outreach Tours. Throughout the 24 year history of this program, the group has visited educational institutions across the world to work directly with the youth in those communities. This program has been such a great success that The Young Americans now produces two national and up to six international Music Outreach Tours each year. More than simply a workshop in singing and dancing, through music The Young Americans encourage workshop participants to build confidence and self-worth, while also helping to strengthen music programs in schools. Through these tours The Young Americans have traveled to over 45 states in the United States, and to Canada, Japan, China, Hong Kong, South Korea, Germany, the Netherlands, Russia, Estonia, Latvia, Lithuania, Luxembourg, Poland, England, Ireland, Scotland, Wales, New Zealand, Australia, Sweden, Spain, Gibraltar, and the Ukraine.

A FINANCIAL PERSPECTIVE OF THE YOUNG AMERICANS
PAST, PRESENT, AND FUTURE
(Continued)

The Present

To further the organization's goals of reaching the youth of the world through music and dance, The Young Americans established The Young Americans College of the Performing Arts. The Young Americans College is established as a conservatory style program of study for students who wish to combine intensive performing arts training with experiences that broaden understanding of the global community.

The College exists to:

- provide its students an innovative and creative learning environment that fosters artistic, intellectual, and personal growth;
- develop an institution that is recognized internationally for its ability to train and encourage artistic growth;
- provide courses of study that are of the highest standards and of maximum benefit to its students;
- offer courses of study that ignite the student's desire to learn and equips them with the skills needed for a lifelong commitment to learning; and
- assemble a diverse faculty with extensive professional experience in their fields and who are dedicated to sharing their knowledge and guiding student learning.

The College offers an Associate of Arts, Performance degree with options for emphasis in Vocal Performance, Acting or Dance. The Young Americans College of the Performing Arts is approved by the California Bureau of Private Postsecondary Education as a degree granting institution and is seeking accreditation through a regional accrediting commission approved by the US Department of Education.

The "Turn Up The Music Campaign," launched in 2013, is bringing a renewed sense of energy and passion to the Music Outreach programs. The campaign has given over \$800,000 to schools across the USA to support performing arts education.

The Future

The Young Americans' core belief is that music is an essential part in everyone's life. The artistic directors of The Young Americans and its Board of Directors are committed to developing relationships with alumni, friends, foundations and corporate sponsors to enhance and expand the Music Outreach Tours, increase scholarship support for our College division, and establish other innovative programs that will build understanding among the diverse people of this world through music, education, and performance.

With the increasing demands of the organization's various outreach programs on a global level, The Young Americans plans to expand its Music Outreach Tours by adding additional tours and taking this valuable program to new locations in the world. In addition, because of the tremendous success of its recently launched Summer Camp program, The Young Americans plans to expand this program by adding new towns to its Summer Camp tours. Further, the organization looks forward to expanding its Music Outreach program to large arenas across the USA, to impact the lives of

A FINANCIAL PERSPECTIVE OF THE YOUNG AMERICANS
PAST, PRESENT, AND FUTURE
(Continued)

thousands of young people. As part of this effort, The Young Americans will be actively exploring collaborations with regional and national corporations to develop potential sponsorship opportunities.

In June of 1978, The Young Americans opened a summer dinner theater at Boyne Highlands, a resort in Harbor Springs, Michigan. Each summer thereafter, The Young Americans have entertained audiences of all ages, making it one of Boyne Highlands' most popular traditions, and a northern Michigan dinner theater destination. The Young Americans recently launched a fundraising campaign to raise funds to build camp facilities, such as cabins and a multi-purpose building at Boyne Highlands, to host overnight events, like summer camp programs. Boyne Highlands plans to donate the land to The Young Americans for this project.

The Young Americans is also looking for funding assistance to acquire land in the Southern California area to locate a permanent campus, which will meet all of the organization's future facilities requirements, such as classrooms, rehearsal studios, student housing, and administrative offices.

INDEPENDENT AUDITORS' REPORT

The Board of Directors
The Young Americans, Inc.
Corona, California

We have audited the accompanying financial statements of The Young Americans, Inc. (“the Organization”), which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities 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.

Auditors’ 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 audit 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 auditors’ 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 qualified audit opinion.

The Board of Directors
The Young Americans, Inc.

Basis for Qualified Opinion

As more fully described in Notes 2 and 11 to the financial statements, accounting principles generally accepted in the United States of America require that the actuarial method used in the computation of pension costs should be the benefit/years of service method. At June 30, 2016 and 2015, the Organization has recorded the accrued benefit obligation as determined by the frozen benefit method. Quantification of the effect on the financial statements of the preceding practice is not practicable. In addition, the Organization's financial statements do not include the disclosures required for a defined benefit plan. In our opinion, disclosure of that information is required to conform with accounting principles generally accepted in the United States of America.

Qualified Opinion

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of The Young Americans, Inc. as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Link, Murrell & Company, LLP

Link, Murrell & Co., LLP

Irvine, California
November 30, 2016

THE YOUNG AMERICANS, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2016 AND 2015

ASSETS

	2016	2015
Current Assets:		
Cash and cash equivalents:		
Unrestricted	\$ 121,524	\$ 382,488
Temporarily restricted	187,020	200,142
Total cash and cash equivalents	308,544	582,630
Certificate of deposit	150,000	-
Receivables:		
Performances, net	194,025	199,103
Students, net	64,305	32,537
Contributions	4,000	122,000
Other	1,817	2,000
Note receivable - current portion	2,220	2,133
Inventory	70,368	92,392
Prepaid expenses	110,827	94,537
Total current assets	906,106	1,127,332
Noncurrent Assets:		
Property and equipment, net	353,209	409,501
Deposits	35,221	30,547
Cash surrender value of life insurance	26,930	22,092
Note receivable, net of current portion	3,301	5,521
Total noncurrent assets	418,661	467,661
Total Assets	\$ 1,324,767	\$ 1,594,993

See accompanying notes.

THE YOUNG AMERICANS, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2016 AND 2015

LIABILITIES AND NET ASSETS

	2016	2015
Current Liabilities:		
Current portion of notes payable	\$ 7,242	\$ 35,302
Accounts payable	189,934	170,053
Accrued expenses	7,001	777
Student/member deposits	84,833	95,122
Deferred revenue	243,307	210,939
Pension plan liability	129,208	69,536
Total current liabilities	661,525	581,729
Long-Term Liabilities:		
Notes payable, net of current portion	18,097	-
Postretirement benefit obligation	69,455	53,729
Total long-term liabilities	87,552	53,729
Total liabilities	749,077	635,458
Net Assets:		
Unrestricted:		
Undesignated	35,461	349,892
Net investment in property and equipment	353,209	409,501
Temporarily restricted	187,020	200,142
Total net assets	575,690	959,535
Total Liabilities and Net Assets	\$ 1,324,767	\$ 1,594,993

See accompanying notes.

THE YOUNG AMERICANS, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

Unrestricted Net Assets:	<u>2016</u>	<u>2015</u>
Revenues and Other Support:		
Performances	\$ 3,056,301	\$ 3,029,859
Merchandise sales, net of cost of sales of \$175,745 and \$135,494, respectively	137,511	172,038
College:		
Tuition, net of discounts of \$6,440 and \$2,485, respectively	1,200,557	1,105,633
Student housing, net of expenses of \$660,663 and \$553,316, respectively	16,864	(20,160)
Contributions	416,650	607,105
Other income, net	<u>14,645</u>	<u>11,713</u>
Total unrestricted revenues	4,842,528	4,906,188
Net Assets Released From Restrictions	<u>199,712</u>	<u>122,579</u>
Total unrestricted revenues and other support	5,042,240	5,028,767
Expenses:		
Program services:		
Performances	3,171,502	3,074,877
College	1,148,707	917,066
Supporting services:		
General and administrative	973,960	922,380
Fundraising	<u>118,794</u>	<u>112,793</u>
Total expenses	<u>5,412,963</u>	<u>5,027,116</u>
Increase (decrease) in unrestricted net assets	(370,723)	1,651
Temporarily Restricted Net Assets:		
Contributions	186,590	171,580
Net assets released from restrictions	<u>(199,712)</u>	<u>(122,579)</u>
Increase (decrease) in temporarily restricted net assets	<u>(13,122)</u>	<u>49,001</u>
Increase (Decrease) in Net Assets	(383,845)	50,652
Net Assets, Beginning of Year	<u>959,535</u>	<u>908,883</u>
Net Assets, End of Year	<u>\$ 575,690</u>	<u>\$ 959,535</u>

See accompanying notes.

THE YOUNG AMERICANS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	2016	2015
Cash Flows from Operating Activities:		
Increase (decrease) in net assets	\$ (383,845)	\$ 50,652
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	147,095	127,873
Bad debts	45,321	81,716
Loss on sale of assets	-	1,200
Increase (decrease) in cash surrender value of life insurance	(4,838)	3,275
Increase in postretirement benefit obligation	15,726	15,725
Changes in assets and liabilities:		
(Increases) decreases in:		
Receivables	88,400	(196,652)
Inventory	22,024	2,770
Prepaid expenses	(16,290)	(469)
Deposits	(4,674)	982
Increases (decreases) in:		
Accounts payable	19,881	73,757
Accrued expenses	6,224	(37,893)
Student/member deposits	(10,289)	26,514
Deferred revenue	32,368	(29,953)
Pension plan liability	59,672	(7,162)
Total adjustments	400,620	61,683
Net cash provided by operating activities	16,775	112,335
Cash Flows from Investing Activities:		
Purchases of property and equipment	(60,803)	(206,379)
Purchase of certificate of deposit	(150,000)	-
Proceeds from note receivable	2,133	1,607
Net cash used in investing activities	\$ (208,670)	\$ (204,772)

See accompanying notes.

THE YOUNG AMERICANS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

Cash Flows from Financing Activities:

Principal payments on notes payable	\$ <u>(39,963)</u>	\$ <u>(40,364)</u>
Net cash used in financing activities	<u>(39,963)</u>	<u>(40,364)</u>
Net Decrease in Cash and Cash Equivalents	(231,858)	(132,801)
Effect of Exchange Rates on Cash	(42,228)	(46,547)
Beginning Cash and Cash Equivalents	<u>582,630</u>	<u>761,978</u>
Ending Cash and Cash Equivalents	<u>\$ 308,544</u>	<u>\$ 582,630</u>

Supplemental Disclosure of Cash Flow Information:

Cash paid during the year for:

Interest	\$ <u>2,075</u>	\$ <u>2,898</u>
Income taxes	<u>\$ -</u>	<u>\$ -</u>

Noncash investing and financing activities:

Acquisition of property financed by note payable	<u>\$ 30,000</u>	<u>\$ -</u>
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THE YOUNG AMERICANS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

1. NATURE OF ORGANIZATION

The Young Americans, Inc. (the Organization) was founded in 1992 as a California nonprofit public benefit corporation. The purpose of the Organization is to use music and American youth to promote understanding among the citizens of our nation and to present a positive image of American youth to the world. The Organization's support comes primarily from registration fees, admission fees, merchandise sales, student/member fees and contributions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. At June 30, 2016 and 2015, there were no permanently restricted net assets.

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 and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Fair Value Measurements

The carrying value of cash and cash equivalents, receivables, prepaid expenses, accounts payable, accrued expenses, student/member deposits, deferred revenue, and pension plan liability approximate their respective fair values due to their short-term maturities.

THE YOUNG AMERICANS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements (Continued)

Based upon rates currently available to the Organization for loans with similar terms and average maturities, the fair value of the note receivable and note payable approximate the carrying values.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Concentration of Credit Risk

The Organization occasionally maintains deposits in excess of federally insured limits. This concentration in credit risk is managed by maintaining all deposits in high quality financial institutions.

Receivables

The Organization provides an allowance for doubtful accounts for performances and students that is based upon review of outstanding receivables. At June 30, 2016 and 2015, an allowance of approximately \$60,000 and \$90,000, respectively, has been made in the financial statements for accounts deemed to be uncollectible.

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine uncollectible contributions receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. No allowance was recorded at June 30, 2016 and 2015.

Inventory

Inventory, principally t-shirts and sweatshirts, is stated at the lower of cost or market on a specific identification basis.

THE YOUNG AMERICANS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are stated at cost at the date purchased, or estimated fair value at the date of the donation, if donated. The Organization follows the practice of capitalizing all expenditures for individual items in excess of \$500. Audio and visual equipment, vehicles, musical instruments, software and tour assets are depreciated using the straight-line method over five years. Computers and other equipment and office furniture and equipment are depreciated using the straight-line method over five to seven years. Leasehold improvements are depreciated using the straight-line method over the shorter of fifteen years or the life of the lease.

Each summer since 1978, The Young Americans Dinner Theater has been held at the Boyne Highlands Resort in Harbor Springs, Michigan. In addition, over the past six years the Organization has operated an extremely successful summer camp program at the local high school in Harbor Springs. Over the past few years, many friends and supporters of The Young Americans have encouraged the Organization to build camp facilities, such as cabins and a multi-purpose building in the area, to host overnight summer camp programs. In order for this project to begin, the Organization needs to raise support of approximately \$3 million. Boyne Highlands Resort plans to donate land and contribute to the cost of developing the infrastructure for the camp. Management of the Organization believes this project will occur. Therefore, fees paid to an architect of approximately \$39,000 have been capitalized. The Organization will begin depreciation when the project is completed.

Long-lived assets, such as property and equipment, are reviewed on an ongoing basis for impairment based on comparison of carrying value against undiscounted future cash flows. If impairment is identified, the assets' carrying amounts are adjusted to fair value. There were no such adjustments during the year ended June 30, 2016 and 2015.

Deferred Revenue

Deferred revenue consists of college registration and tuition fees, and summer camp registration fees. Deferred revenue results from the Organization recognizing registration and tuition revenue in the period in which the related instruction is performed. Accordingly, registration and tuition fees received for the next term are deferred until the instruction commences.

THE YOUNG AMERICANS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Defined Benefit Plan

The Organization's actuarial valuation for its defined benefit plan uses a method that is different than the method required by generally accepted accounting principles (GAAP). GAAP requires employers to recognize the funded status of a benefit plan in the Statement of Financial Position and recognize changes in the funded status through the Statement of Activities. GAAP requires that the actuarial method used in the computation of pension costs to be the benefit/years of service method. At June 30, 2016 and 2015, the Organization has recorded the accrued benefit obligation as determined by the frozen benefit method, excluding years of service prior to July 1, 2007. The Organization also has not included the disclosures required by GAAP in these financial statements.

Postretirement Benefit Obligations

In 2012, the Organization adopted a postretirement benefit plan which covers the Executive/Artistic Director. The Organization is obligated to pay pension benefits on or after the Executive/Artistic Director's seventieth birthday for eight-four months. If the Executive/Artistic Director dies before retirement, but prior to receiving eighty-four monthly installments, the unpaid balance of the payments due will continue to be paid by the Organization to the Executive/Artistic Director's beneficiary. The Organization is recording the net present value of the future obligations of this benefit based on future payments. Annual payments will be amortized against the net present value with the remainder charged to interest expense.

Compensated Absences

The Organization allows full-time employees to receive compensation for vacation and sick leave. Compensated absences for vacation and sick leave are expensed as incurred. There will be no payments for compensated absences upon separation from the Organization.

Revenues and Support

The Organization receives the majority of its revenue from workshop registration fees, convention shows, student/member fees, and the sale of tickets to shows and a dinner theater. Merchandise is also sold at these events. Student/member fees consist of tuition, rent and utilities from students/members. Student/member fees are net of scholarships of approximately \$194,000 and \$120,000 for the years ended June 30, 2016 and 2015, respectively.

THE YOUNG AMERICANS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the absence or existence and nature of any donor restrictions. The majority of the Organization's contributions are from individuals.

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. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The major programs of the Organization are as follows:

- Performances Program ó The Organization produces outreach tours, dinner theater and Christmas concert.
 - Outreach Tours ó The students/members travel to õhost schoolsö and put on a three-day workshop for elementary, junior high and high school level students (the õParticipantsö). The students/members teach the Participants song and dance numbers. At the conclusion of the workshop, the students/members and the Participants perform together in a show.
 - Summer Camps ó The student/members travel to õhost townsö and put on a five day music performance summer camp program for elementary, junior and senior high and college level students (õCampersö). The students/members teach Campers song and dance numbers. On the final day of the camp, the students/members and the Campers perform together in a show.
 - Dinner Theater ó The students/members perform at Boyne Highlands in Michigan. Dinner is served before the show and the members work as servers.
 - Christmas Concert ó Shows are performed at the La Mirada, California community theater.

THE YOUNG AMERICANS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses (Continued)

- College Program ó The Organization is approved as a degree-granting institution by the California Bureau of Private Post-Secondary Education for its student members. At its June 2016 meeting, the Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges reviewed and accepted the Eligibility Report submitted by The Young Americans College of the Performing Arts. Under Commission rules, acceptance of an Eligibility Report does not establish a formal relationship between the Commission and the college. Inquiries about accreditation should be made to the Commission office: ACCJC, 10 Commercial Blvd., Suite 204, Novato, CA 94949, (415) 506-0234. Formed as a specialty school, the college blends the concepts of theoretical learning with practical application, concentrated in the performing arts. The two-year program of study culminates in the awarding of an Associates of Arts Degree. The students/members pay tuition, rent and utilities to the Organization to participate in the college based upon their level of course enrollment.

Income Taxes

The Organization is a California nonprofit corporation which has qualified for tax exempt status under Section 501(c)(3) of the Internal Revenue Code and the State Revenue and Tax Code Section 23701(d). Accordingly, no provision of income taxes has been made in the accompanying financial statements.

The Organization follows the accounting for uncertainty in income taxes recognized in a nonpublic entity's financial statements. It details how entities should recognize, measure, present, and disclose uncertain tax positions that have been or are expected to be taken. As such, financial statements will reflect expected future tax consequences of uncertain tax positions presuming the taxing authorities' full knowledge of the position and all relevant facts. There was no impact to the Organization's financial statements as a result of these provisions.

Advertising

The Organization follows the policy of charging the costs of advertising to expenses as incurred. Advertising expense for the years ended June 30, 2016 and 2015 was approximately \$172,000 and \$136,000, respectively.

THE YOUNG AMERICANS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign Currency Translation

The Organization schedules outreach tours in several foreign countries (e.g. Germany, Russia, Ireland, England, Scotland and Wales). Foreign operations are subject to risks inherent in operating under different legal systems and various political and economic environments. Among the risks are changes in existing tax laws, possible limitations on foreign investment and income repatriation, government price or foreign exchange controls, and restrictions on currency exchange. Foreign earnings represent approximately 30% and 31% of total revenues and support for the years ended June 30, 2016 and 2015, respectively.

The financial position and results of operations of the Organization are measured using the local currency as the functional currency. Foreign currency denominated assets and liabilities are translated into U.S. dollars at the exchange rate existing at the balance sheet date, and income and expense items are translated at the average exchange rate for the period. The transaction gain or loss has been reported separately in the accompanying statement of activities.

During the years ended June 30, 2016 and 2015, the Organization recorded a net transaction loss of \$42,228 and \$46,547, respectively.

Subsequent Events

The Organization has evaluated subsequent events through November 30, 2016, the date the financial statements were available to be issued.

3. NOTE RECEIVABLE

The Organization loaned an employee \$10,000 during the year ended June 30, 2014. The loan had an original term of ten years. The loan was amended with a five-year term during the year ended June 30, 2015. It bears interest at 4.00% per annum, with scheduled monthly payments of principal and interest.

THE YOUNG AMERICANS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

3. NOTE RECEIVABLE (Continued)

At June 30, 2016, the current portion and long-term portion of the loan are \$2,220 and \$3,301, respectively.

Year Ending June 30,

2017	\$ 2,220
2018	2,311
2019	<u>990</u>
	<u>\$ 5,521</u>

4. PROPERTY AND EQUIPMENT

The following is a summary of property and equipment, less accumulated depreciation at June 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Audio and visual equipment	\$ 317,413	\$ 309,225
Computers and other equipment	97,126	75,464
Leasehold improvements	506,795	506,795
Musical instruments	61,522	57,788
Office furniture and equipment	90,402	85,567
Software	14,130	14,130
Tour assets	346,054	298,319
Vehicles	<u>40,263</u>	<u>40,263</u>
	1,473,705	1,387,551
Less accumulated depreciation	(1,159,656)	(1,017,210)
Architect fees for future amphitheater	<u>39,160</u>	<u>39,160</u>
Total	<u>\$ 353,209</u>	<u>\$ 409,501</u>

Depreciation expense for the years ended June 30, 2016 and 2015 was approximately \$147,000 and \$128,000, respectively.

5. CASH SURRENDER VALUE OF LIFE INSURANCE

The Organization is the owner and the beneficiary of variable universal life insurance policies. The total cash surrender value, net of surrender charges, at June 30, 2016 and 2015 was \$26,930 and \$22,092, respectively.

THE YOUNG AMERICANS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

6. NOTES PAYABLE

	<u>2016</u>	<u>2015</u>
In April 2012, the Organization financed the purchase of an asset through Independence Bank. On April 15, 2014, the Organization refinanced the loan with Grandpoint Bank. The loan agreement requires twenty-four monthly payments of principal and interest at a rate of 4.75%. The loan is secured by the asset and matures in April 2016. At June 30, 2016, the carrying amount of the asset was \$28,406.	\$ -	\$ 35,302
In October 2015, the Organization financed the purchase of an asset through Grandpoint Bank. The loan agreement requires forty-eight monthly payments of principal and interest at a rate of 4.25%. The loan is secured by the asset and matures in October 2019. At June 30, 2016, the carrying amount of the asset was \$34,000.	<u>25,339</u>	<u>-</u>
Total long-term debt	25,339	35,302
Less current maturities of long-term debt	<u>(7,242)</u>	<u>(35,302)</u>
Total long-term debt, net of current portion	<u>\$ 18,097</u>	<u>\$ -</u>

Maturities of long-term debt are as follows:

<u>Year Ending June 30,</u>	
2017	\$ 7,242
2018	7,556
2019	7,884
2020	<u>2,657</u>
	<u>\$ 25,339</u>

THE YOUNG AMERICANS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

7. COMMITMENTS

Operating Leases

The Organization entered into a one-year operating lease for an office building at 1128 Olympic Drive in Corona, California with a monthly payment of \$5,470, expiring July 31, 2009. In July 2009, this lease was extended for an additional two years and in June 2011, this lease was further extended for an additional three years. In May 2014, the lease was further extended for an additional four years with monthly payments ranging from \$5,000 to \$5,450, expiring June 30, 2018 with a twelve-month renewal option. This lease also requires a monthly association fee of \$225.

The Organization also entered into an operating lease in January 2009 for an office building at 1132 Olympic Drive in Corona. The monthly payments were waived for three months from March through May 2009 and for February 2011. In May 2011, this lease was amended to include another office building at 1112 Olympic Drive in Corona, California. The term was extended for an additional three years beginning in July 2011 and further extended in June 2014 for an additional four years with monthly payments ranging from \$12,450 to \$14,000, expiring June 30, 2018 with two consecutive twelve-month renewal options. This lease also requires a monthly association fee of \$400.

The future minimum lease payments, including common area maintenance of association fees, under these non-cancelable leases are as follows:

<u>Year Ending June 30,</u>	<u>Base Rent</u>	<u>CAM/Assoc.</u>	<u>Total</u>
2017	\$ 224,400	\$ 7,500	\$ 231,900
2018	<u>233,400</u>	<u>7,500</u>	<u>240,900</u>
	<u>\$ 457,800</u>	<u>\$ 15,000</u>	<u>\$ 472,800</u>

Occupancy expense, including maintenance charges and association fees, for the years ended June 30, 2016 and 2015 was approximately \$216,000 and \$210,000, respectively.

8. RELATED PARTY TRANSACTIONS

Certain board members were compensated as chief financial officer and assistant producer of projects. A board member's spouse served as a voice teacher. The Organization loaned the wife of the Executive Director \$10,000 during the year ended June 30, 2014. See Note 3 for the terms and five-year maturity schedule.

THE YOUNG AMERICANS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

9. RELATED ENTITY

The Foundation for the Young Americans (the "Foundation") was established in July 2012 to help support the Organization by raising funds for scholarships. Two board members are also on the board of the Foundation. The Director of Administrative Services and Dean of Instruction for The College of the Young Americans Performing Arts are on the board of the Foundation. However, they do not represent a majority voting interest. While the Organization has an economic interest in the Foundation, it does not have control. Therefore, its operations are not consolidated in the financial statements of the Organization.

For the years ended June 30, 2016 and 2015, the Foundation contributed \$36,590 and \$15,000, respectively, to the Organization for scholarships.

10. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of contributions restricted for a specific purpose. The donor-imposed restrictions for the contributions are expected to be satisfied in the following year.

At June 30, 2016 and 2015, temporarily restricted net assets consist of the following:

	<u>2016</u>	<u>2015</u>
Scholarships	\$ 136,590	\$ 154,434
Virtual library	50,000	43,624
Outreach	-	1,654
Tutoring	<u>430</u>	<u>430</u>
	<u>\$ 187,020</u>	<u>\$200,142</u>

11. RETIREMENT PLANS

Defined Contribution Plan

Effective July 1, 2011, the Organization adopted a profit sharing 401(k) plan (the "Plan"). The plan covers all employees on September 5, 2011 who are over twenty-one years old. Employees hired after September 5, 2011 who are over twenty-one years old and have completed a year of service are eligible to participate in the Plan.

THE YOUNG AMERICANS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

11. RETIREMENT PLANS (Continued)

Defined Contribution Plan (Continued)

A year of service is defined as a consecutive twelve month period with at least 1,000 hours of service beginning on the date of hire. The Organization may match certain contributions and may elect to make a discretionary contribution. This Plan was referred to as a "safe harbor 401(k) plan" through December 31, 2013. A contribution equal to 3% of the participant's compensation for the entire Plan year was made to the Plan regardless of whether or not the participant contributes to the Plan.

The Plan was amended in November 2013. Effective January 1, 2014, the Organization elected to make a matching contribution equal to 100% of salary deferrals up to a maximum of 3% of salary. Matching and safe harbor non-elective contribution expense was approximately \$34,000 and \$30,000, respectively, for the years ended June 30, 2016 and 2015.

Defined Benefit Plan

Effective July 1, 2011, the Organization adopted a defined benefit pension plan (the "Pension Plan") covering certain employees. Pension benefits are based on years of service, excluding years of service prior to July 1, 2007, and the employee's average compensation for the three highest consecutive years of participation. The Organization's funding policy is to make the minimum annual contribution required by applicable regulations. Contributions are intended to provide not only for benefits attributed to service to date but also for those expected to be earned in the future. Effective July 1, 2012, the Pension Plan was amended to include the participation of the Executive/Artistic Director. For accrual purposes, service prior to July 1, 2012 is disregarded for this employee. Effective May 31, 2014, the Organization amended this Pension Plan to freeze the benefits.

The present value of accrued benefits based on plan assumptions at June 30, 2016 and 2015 is \$381,380 and \$610,619, respectively. The present value of accrued benefits based on 417(e) assumptions at June 30, 2016 and 2015 is \$427,804 and \$722,735, respectively.

Accounting principles generally accepted in the United States of America requires that the actuarial method used in the computation of pension costs should be the benefit/years of service method. At June 30, 2016 and 2015, the Organization has recorded the accrued benefit obligation as determined by the frozen benefit method. The Organization's financial statements also do not include the disclosures required for a defined benefit plan.

THE YOUNG AMERICANS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

11. RETIREMENT PLANS (Continued)

Defined Benefit Plan (Continued)

The Pension Plan assets are invested in interest-bearing cash and mutual funds. The fair value of the mutual funds is based on quoted net asset values of the shares held. The fair values (Level 1) of the interest-bearing cash and mutual funds at June 30, 2016 are \$359,273 and \$146,634, respectively.

At June 30, 2015, the Pension Plan assets were invested in pooled separate accounts. The pooled separate accounts involved the pooling of assets of two or more unrelated plans at an insurance company. The fair value of the pooled separate accounts was based on the underlying unit value and was not traded on an active market. The fair value (Level 2) of the pooled separate accounts at June 30 2015 was \$486,758. The Pension Plan assets were also invested in life insurance policies. However, these life insurance policies were purchased by the Organization during the year ended June 30, 2016. Based on the Internal Revenue Service fair market value requirements, the cash value of the life insurance policies at June 30, 2015 was \$45,973. The estimated fair market value for actuarial valuation purposes was \$54,325.

At June 30, 2016 and 2015, the pension plan liability is \$129,208 and \$69,536, respectively.

Postretirement Benefit Obligations

In February 2012, the Organization agreed to pay the Executive/Artistic Director certain post-retirement benefit payments over a period of eighty-four months. The Organization has agreed to pay monthly payments of \$3,000 on or after the Executive/Artistic Director's seventieth birthday. Generally accepted accounting principles require the Organization to record a liability for these obligations to equal the present value of the benefits to be paid. The present value of the benefits is computed using a discount rate.

At June 30, 2016 and 2015, using a discount rate of 5.75%, the accrued postretirement benefits liability as reflected on the Statement of Financial Position is \$69,455 and \$53,729, respectively. The adjustment results in a decrease to income in the current year.

12. CONCENTRATION OF REVENUE AND SUPPORT

The Organization received approximately 50% and 62% of its contributions from a board member, including family members for the years ended June 30, 2016 and 2015, respectively.

THE YOUNG AMERICANS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

13. CONTRIBUTED SERVICES

A substantial number of unpaid volunteers have made significant contributions of their time to the Organization's program services. The value of these contributions is not reflected in these statements since they do not meet the criteria for recognition as contributed services.

SUPPLEMENTARY INFORMATION

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

The Board of Directors
The Young Americans, Inc.
Corona, California

We have audited the financial statements of The Young Americans, Inc. as of and for the years ended June 30, 2016 and 2015, and have issued our report thereon dated November 30, 2016, which was qualified for the financial statements not using the required actuarial method for computing pension costs and for the omission of the required disclosures. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. The Supplementary Information in Schedules I to IV is presented for purposes of additional analysis and is 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 audits 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, except for the effects on the pension expense of the qualified opinion on the financial statements as described above, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Link, Murrel & Company, LLP

Link, Murrel & Co., LLP

Irvine, California
November 30, 2016

**THE YOUNG AMERICANS, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Program Services</u>			<u>Supporting Services</u>			<u>Totals</u>
	<u>Performances</u>	<u>College</u>	<u>Total</u>	<u>General and</u>		<u>Total</u>	
				<u>Administrative</u>	<u>Fundraising</u>		
Advertising	\$ 169,626	\$ 255	\$ 169,881	\$ -	\$ 2,095	\$ 2,095	\$ 171,976
Bad debts	10,354	34,967	45,321	-	-	-	45,321
Bank charges	-	-	-	84,130	35	84,165	84,165
Benefits	26,966	11,277	38,243	10,786	-	10,786	49,029
Campus facilities	89,551	133,965	223,516	27,451	5,122	32,573	256,089
Campus utilities	51,170	52,687	103,857	5,853	-	5,853	109,710
Classroom equipment	-	98	98	-	-	-	98
Contract labor	303,981	10,555	314,536	24,278	27,682	51,960	366,496
Costumes	26,678	-	26,678	-	-	-	26,678
Depreciation	118,092	27,651	145,743	1,352	-	1,352	147,095
Dues and subscriptions	15,195	275	15,470	2,785	-	2,785	18,255
Equipment rental	56,862	-	56,862	68	-	68	56,930
Insurance	70,874	9,398	80,272	13,807	85	13,892	94,164
Interest	2,075	-	2,075	-	-	-	2,075
Legal and accounting	-	-	-	52,160	-	52,160	52,160
Library	-	51,645	51,645	-	-	-	51,645
Music supplies	2,072	791	2,863	-	-	-	2,863
Office equipment	6,320	15,385	21,705	310	-	310	22,015
Other business expenses	73,570	12,547	86,117	35,002	34,153	69,155	155,272
Other production expenses	162,327	18	162,345	-	-	-	162,345
Payroll taxes	61,232	58,436	119,668	49,792	3,071	52,863	172,531
Pension	61,162	8,651	69,813	71,819	508	72,327	142,140
Performance space rental	204,562	-	204,562	-	-	-	204,562
Postage	5,895	10	5,905	400	700	1,100	7,005
Printing	13,852	(91)	13,761	-	187	187	13,948
Props	6,226	-	6,226	-	-	-	6,226
Salaries	697,760	665,875	1,363,635	567,237	34,938	602,175	1,965,810
Sets	10,712	-	10,712	-	-	-	10,712
Shipping	12,508	167	12,675	-	73	73	12,748
Software	-	27,778	27,778	5,313	-	5,313	33,091
Tax and licenses	4,599	12,821	17,420	150	-	150	17,570
Teaching supplies	144	1,715	1,859	-	-	-	1,859
Technical equipment	24,980	438	25,418	-	-	-	25,418
Travel	<u>882,157</u>	<u>11,393</u>	<u>893,550</u>	<u>21,267</u>	<u>10,145</u>	<u>31,412</u>	<u>924,962</u>
Total Expenses	<u>\$ 3,171,502</u>	<u>\$ 1,148,707</u>	<u>\$ 4,320,209</u>	<u>\$ 973,960</u>	<u>\$ 118,794</u>	<u>\$ 1,092,754</u>	<u>\$ 5,412,963</u>

**THE YOUNG AMERICANS, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015**

	Program Services			Supporting Services			
	Performances	College	Total	General and		Total	Totals
				Administrative	Fundraising		
Advertising	\$ 131,261	\$ 1,550	\$ 132,811	\$ 2,949	\$ 145	\$ 3,094	\$ 135,905
Bad debts	5,637	76,079	81,716	-	-	-	81,716
Bank charges	-	-	-	66,995	-	66,995	66,995
Benefits	15,507	10,079	25,586	10,854	2,326	13,180	38,766
Campus facilities	102,838	103,220	206,058	31,090	4,783	35,873	241,931
Campus utilities	56,531	43,708	100,239	6,367	-	6,367	106,606
Classroom equipment	-	2,776	2,776	-	-	-	2,776
Contract labor	288,945	16,351	305,296	9,600	33,100	42,700	347,996
Costumes	32,194	75	32,269	170	-	170	32,439
Depreciation	97,662	29,561	127,223	650	-	650	127,873
Dues and subscriptions	7,023	248	7,271	-	-	-	7,271
Equipment rental	48,072	-	48,072	138	688	826	48,898
Insurance	55,986	15,173	71,159	55,271	132	55,403	126,562
Interest	2,898	-	2,898	-	-	-	2,898
Legal and accounting	-	-	-	26,276	-	26,276	26,276
Library	-	6,726	6,726	-	-	-	6,726
Music supplies	1,323	437	1,760	190	-	190	1,950
Office equipment	11,327	18,326	29,653	33	-	33	29,686
Other business expenses	60,116	2,270	62,386	29,338	11,098	40,436	102,822
Other production expenses	253,377	33	253,410	-	-	-	253,410
Payroll taxes	46,169	41,972	88,141	48,967	2,798	51,765	139,906
Pension	43,293	5,837	49,130	39,162	333	39,495	88,625
Performance space rental	196,583	-	196,583	-	-	-	196,583
Postage	4,580	2,644	7,224	136	74	210	7,434
Printing	15,702	4,530	20,232	-	207	207	20,439
Props	9,923	-	9,923	-	-	-	9,923
Salaries	542,083	492,803	1,034,886	574,937	32,854	607,791	1,642,677
Sets	19,185	-	19,185	-	-	-	19,185
Shipping	17,124	221	17,345	-	10	10	17,355
Software	1,903	11,676	13,579	2,678	-	2,678	16,257
Tax and licenses	5,194	15,603	20,797	556	-	556	21,353
Teaching supplies	91	7,167	7,258	-	-	-	7,258
Technical equipment	41,760	(14)	41,746	-	56	56	41,802
Travel	960,590	8,015	968,605	16,023	24,189	40,212	1,008,817
Total Expenses	\$ 3,074,877	\$ 917,066	\$ 3,991,943	\$ 922,380	\$ 112,793	\$ 1,035,173	\$ 5,027,116

THE YOUNG AMERICANS, INC.
SCHEDULE OF COMBINED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Performances</u>	<u>College</u>	<u>Supporting</u>	<u>Totals</u>
Unrestricted Net Assets:				
Revenues and Other Support:				
Performances	\$ 3,056,301	\$ -	\$ -	\$ 3,056,301
Merchandise sales, net of cost of sales of \$175,745	137,511	-	-	137,511
College:				
Tuition, net of discounts of \$6,440	-	1,200,557	-	1,200,557
Student housing, net of expenses of \$660,663	-	16,864	-	16,864
Contributions	335,581	36,516	44,553	416,650
Other income (loss)	<u>(42,228)</u>	<u>-</u>	<u>56,873</u>	<u>14,645</u>
Total unrestricted revenues	3,487,165	1,253,937	101,426	4,842,528
Net Assets Released From Restrictions	<u>1,654</u>	<u>198,058</u>	<u>-</u>	<u>199,712</u>
Total unrestricted revenues and other support	3,488,819	1,451,995	101,426	5,042,240
Expenses:				
Program services:				
Performances	3,171,502	-	-	3,171,502
College	-	1,148,707	-	1,148,707
Supporting services:				
General and administrative	344,560	273,337	356,063	973,960
Fundraising	<u>-</u>	<u>-</u>	<u>118,794</u>	<u>118,794</u>
Total expenses	<u>3,516,062</u>	<u>1,422,044</u>	<u>474,857</u>	<u>5,412,963</u>
Increase (decrease) in unrestricted net assets	(27,243)	29,951	(373,431)	(370,723)
Temporarily Restricted Net Assets:				
Contributions	-	186,590	-	186,590
Net assets released from restrictions	<u>(1,654)</u>	<u>(198,058)</u>	<u>-</u>	<u>(199,712)</u>
Decrease in temporarily restricted net assets	<u>(1,654)</u>	<u>(11,468)</u>	<u>-</u>	<u>(13,122)</u>
Increase (Decrease) in Net Assets	<u>\$ (28,897)</u>	<u>\$ 18,483</u>	<u>\$ (373,431)</u>	<u>\$ (383,845)</u>

THE YOUNG AMERICANS, INC.
SCHEDULE OF COMBINED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Performances</u>	<u>College</u>	<u>Supporting</u>	<u>Totals</u>
Unrestricted Net Assets:				
Revenues and Other Support:				
Performances	\$ 3,029,859	\$ -	\$ -	\$ 3,029,859
Merchandise sales, net of cost of sales of \$135,494	172,038	-	-	172,038
College:				
Tuition, net of discounts of \$2,485	-	1,105,633	-	1,105,633
Student housing, net of expenses of \$553,316	-	(20,160)	-	(20,160)
Contributions	362,816	58,983	185,306	607,105
Other income (loss)	<u>(46,547)</u>	<u>-</u>	<u>58,260</u>	<u>11,713</u>
 Total unrestricted revenues	 3,518,166	 1,144,456	 243,566	 4,906,188
 Net Assets Released From Restrictions	 <u>5,637</u>	 <u>116,942</u>	 <u>-</u>	 <u>122,579</u>
 Total unrestricted revenues and other support	 3,523,803	 1,261,398	 243,566	 5,028,767
Expenses:				
Program services:				
Performances	3,074,877	-	-	3,074,877
College	-	917,066	-	917,066
Supporting services:				
General and administrative	331,138	279,375	311,867	922,380
Fundraising	<u>-</u>	<u>-</u>	<u>112,793</u>	<u>112,793</u>
 Total expenses	 <u>3,406,015</u>	 <u>1,196,441</u>	 <u>424,660</u>	 <u>5,027,116</u>
 Increase (decrease) in unrestricted net assets	 117,788	 64,957	 (181,094)	 1,651
Temporarily Restricted Net Assets:				
Contributions	6,580	165,000	-	171,580
Net assets released from restrictions	<u>(5,637)</u>	<u>(116,942)</u>	<u>-</u>	<u>(122,579)</u>
 Increase in temporarily restricted net assets	 <u>943</u>	 <u>48,058</u>	 <u>-</u>	 <u>49,001</u>
 Increase (Decrease) in Net Assets	 <u>\$ 118,731</u>	 <u>\$ 113,015</u>	 <u>\$ (181,094)</u>	 <u>\$ 50,652</u>

THE YOUNG AMERICANS, INC.
SCHEDULE OF STATEMENTS OF ACTIVITIES - PERFORMANCES
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

Unrestricted Net Assets:	2016	2015
Revenues and Other Support:		
Performances:		
Music outreach	\$ 1,817,079	\$ 1,884,850
Summer camps	1,082,891	577,517
Concerts	156,331	567,492
Merchandise sales, net of cost of sales of \$175,745 and \$135,494, respectively	137,511	172,038
Contributions	335,581	362,816
Other loss	<u>(42,228)</u>	<u>(46,547)</u>
Total unrestricted revenues	3,487,165	3,518,166
Net Assets Released From Restrictions	<u>1,654</u>	<u>5,637</u>
Total unrestricted revenues and other support	3,488,819	3,523,803
Expenses:		
Program services:		
Facility and performance spaces	350,635	355,952
Technical equipment	186,529	192,332
Travel	890,210	968,493
Personnel	1,169,423	935,997
Costumes, props and sets	43,616	61,302
Other production expenses	<u>531,089</u>	<u>560,801</u>
Total program services	3,171,502	3,074,877
Supporting services - General and administrative	<u>344,560</u>	<u>331,138</u>
Total expenses	<u>3,516,062</u>	<u>3,406,015</u>
Increase in unrestricted net assets	(27,243)	117,788
Temporarily Restricted Net Assets:		
Contributions	-	6,580
Net assets released from restrictions	<u>(1,654)</u>	<u>(5,637)</u>
Increase (decrease) in temporarily restricted net assets	<u>(1,654)</u>	<u>943</u>
Increase (Decrease) in Net Assets	<u>\$ (28,897)</u>	<u>\$ 118,731</u>

THE YOUNG AMERICANS, INC.
SCHEDULE OF STATEMENTS OF ACTIVITIES - COLLEGE
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

Unrestricted Net Assets:	2016	2015
Revenues and Other Support:		
College:		
Tuition, net of discounts of \$6,440 and \$2,485, respectively	\$ 1,200,557	\$ 1,105,633
Student housing, net of expenses of \$660,663 and \$553,316, respectively	16,864	(20,160)
Contributions	<u>36,516</u>	<u>58,983</u>
Total unrestricted revenues	1,253,937	1,144,456
Net Assets Released From Restrictions	<u>198,058</u>	<u>116,942</u>
Total unrestricted revenues and other support	1,451,995	1,261,398
Expenses:		
Program services:		
Instructional	664,709	518,730
Student services	71,594	66,959
Library	51,645	6,726
Facilities	197,989	152,990
Equipment and technology	52,835	42,762
Admissions and enrollment	<u>109,935</u>	<u>128,899</u>
Total program services	1,148,707	917,066
Supporting services - General and administrative	<u>273,337</u>	<u>279,375</u>
Total expenses	<u>1,422,044</u>	<u>1,196,441</u>
Increase in unrestricted net assets	29,951	64,957
Temporarily Restricted Net Assets:		
Contributions	186,590	165,000
Net assets released from restrictions	<u>(198,058)</u>	<u>(116,942)</u>
Increase (decrease) in temporarily restricted net assets	<u>(11,468)</u>	<u>48,058</u>
Increase in Net Assets	<u>\$ 18,483</u>	<u>\$ 113,015</u>