

THE YOUNG AMERICANS, INC.
**FINANCIAL STATEMENTS WITH
SUPPLEMENTARY INFORMATION**
JUNE 30, 2017 AND 2016

**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 1960’s and 1970’s. 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 “Singin’ 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
(Continued)

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.

In the 1970's and 1980's 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.

In 1992, The Young Americans launched its International Music Outreach Tours. Throughout the 25 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 Young Americans and its Board of Directors are committed to developing relationships with alumni, friends, foundations and corporate sponsors to enhance and expand its Signature Music Outreach Tours and establish other innovative programs that will build understanding among the diverse people of this world through music and performance. In furtherance of this commitment, in August 2017, the Board hired a new Chief Executive Officer. Concurrent with that hiring, the former Executive/Artistic Director became the Chief Artistic Officer for the Organization.

With increasing demands of the organization's various outreach programs in 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

A FINANCIAL PERSPECTIVE OF THE YOUNG AMERICANS
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(Continued)

to expanding its Music Outreach program to large arenas across the USA, to impact the lives of 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, 2017 and 2016, 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 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 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.

Redwitz, Inc.

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The Board of Directors
The Young Americans, Inc.

Basis for Qualified Opinion

As more fully described in Notes 2 and 12 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, 2017, 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 2017 financial statements referred to above present fairly, in all material respects, the financial position of The Young Americans, Inc. as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements as of June 30, 2016, were audited by Link, Murrel & Company, LLP, who merged with Redwitz, Inc. as of August 1, 2017, and whose report dated November 30, 2016 expressed a qualified opinion on those statements.

Redwitz, Inc.



Irvine, California
October 12, 2017

THE YOUNG AMERICANS, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017 AND 2016

ASSETS

	2017	2016
Current Assets:		
Cash and cash equivalents:		
Unrestricted	\$ 438,254	\$ 121,524
Temporarily restricted	200,543	187,020
Total cash and cash equivalents	638,797	308,544
Certificate of deposit	-	150,000
Receivables:		
Performances, net	237,019	194,025
Students, net	101,852	64,305
Contributions	-	4,000
Other	-	1,817
Note receivable - current portion	2,220	2,220
Investments	169,838	-
Inventory	49,969	70,368
Prepaid expenses	130,081	110,827
Total current assets	1,329,776	906,106
Noncurrent Assets:		
Property and equipment, net	308,866	353,209
Investments	217,789	-
Deposits	41,335	35,221
Cash surrender value of life insurance	42,057	26,930
Note receivable, net of current portion	1,172	3,301
Total noncurrent assets	611,219	418,661
Total Assets	\$ 1,940,995	\$ 1,324,767

See accompanying notes.

THE YOUNG AMERICANS, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017 AND 2016

LIABILITIES AND NET ASSETS

	2017	2016
Current Liabilities		
Current portion of note payable	\$ 7,545	\$ 7,242
Accounts payable	189,738	189,934
Accrued expenses	32,608	7,001
Student/member deposits	83,330	84,833
Deferred revenue	359,996	243,307
Pension plan liability	95,188	129,208
Total current liabilities	768,405	661,525
Long-Term Liabilities		
Note payable, net of current portion	10,567	18,097
Postretirement benefit obligation	85,181	69,455
Total long-term liabilities	95,748	87,552
Total liabilities	864,153	749,077
Net Assets:		
Unrestricted:		
Undesignated	567,433	35,461
Net investment in property and equipment	308,866	353,209
Temporarily restricted	200,543	187,020
Total net assets	1,076,842	575,690
Total Liabilities and Net Assets	\$ 1,940,995	\$ 1,324,767

See accompanying notes.

THE YOUNG AMERICANS, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

Unrestricted Net Assets:	<u>2017</u>	<u>2016</u>
Revenues and Other Support:		
Performances	\$ 3,407,589	\$ 3,056,301
Merchandise sales, net of cost of sales of \$175,112 and \$175,745, respectively	138,056	137,511
College:		
Tuition, net of discounts of \$6,440 for 2016	1,533,025	1,200,557
Student housing, net of expenses of \$695,631 and \$660,663, respectively	118,461	16,864
Contributions	1,404,345	416,650
Other income, net	<u>(4,868)</u>	<u>14,645</u>
Total unrestricted revenues	6,596,608	4,842,528
Net Assets Released From Restrictions	<u>227,207</u>	<u>199,712</u>
Total unrestricted revenues and other support	6,823,815	5,042,240
Expenses:		
Program services:		
Performances	3,817,570	3,171,502
College	1,444,947	1,148,707
Supporting services:		
General and administrative	851,873	973,960
Fundraising	<u>221,796</u>	<u>118,794</u>
Total expenses	<u>6,336,186</u>	<u>5,412,963</u>
Increase (decrease) in unrestricted net assets	487,629	(370,723)
Temporarily Restricted Net Assets:		
Contributions	240,730	186,590
Net assets released from restrictions	<u>(227,207)</u>	<u>(199,712)</u>
Increase (decrease) in temporarily restricted net assets	<u>13,523</u>	<u>(13,122)</u>
Increase (Decrease) in Net Assets	501,152	(383,845)
Net Assets, Beginning of Year	<u>575,690</u>	<u>959,535</u>
Net Assets, End of Year	<u>\$ 1,076,842</u>	<u>\$ 575,690</u>

See accompanying notes.

THE YOUNG AMERICANS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
Cash Flows from Operating Activities:		
Increase (decrease) in net assets	\$ 501,152	\$ (383,845)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	152,639	147,095
Bad debts and change in allowance	78,932	45,321
Realized gains on sales of investments	(12,081)	-
Unrealized gains on investments	(26,011)	-
Write-off of architect fees	39,160	-
Increase in cash surrender value of life insurance	(15,127)	(4,838)
Increase in postretirement benefit obligation	15,726	15,726
Changes in assets and liabilities:		
(Increases) decreases in:		
Receivables	(95,476)	88,400
Inventory	20,399	22,024
Prepaid expenses	(19,254)	(16,290)
Deposits	(6,114)	(4,674)
Increases (decreases) in:		
Accounts payable	(196)	19,881
Accrued expenses	25,607	6,224
Student/member deposits	(1,503)	(10,289)
Deferred revenue	116,689	32,368
Pension plan liability	(34,020)	59,672
Total adjustments	239,370	400,620
Net cash provided by operating activities	740,522	16,775
Cash Flows from Investing Activities:		
Purchases of property and equipment	(147,456)	(60,803)
Purchases of investments	(1,489,582)	-
Proceeds from sale of investments	1,140,047	-
Purchase of certificate of deposit	-	(150,000)
Maturity of certificate of deposit	150,000	-
Proceeds from note receivable	2,129	2,133
Net cash used in investing activities	\$ (344,862)	\$ (208,670)

See accompanying notes.

THE YOUNG AMERICANS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
Cash Flows from Financing Activities:		
Principal payments on notes payable	\$ (7,227)	\$ (39,963)
Net cash used in financing activities	(7,227)	(39,963)
Net Decrease in Cash and Cash Equivalents	388,433	(231,858)
Effect of Exchange Rates on Cash	(58,180)	(42,228)
Beginning Cash and Cash Equivalents	308,544	582,630
Ending Cash and Cash Equivalents	\$ 638,797	\$ 308,544
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for:		
Interest	\$ 951	\$ 2,075
Income taxes	\$ -	\$ -
Noncash investing and financing activities:		
Acquisition of property financed by note payable	\$ -	\$ 30,000
Donated equity securities and money market accounts	\$ 1,097,083	\$ -

See accompanying notes.

THE YOUNG AMERICANS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

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, 2017 and 2016, 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, certificate of deposit, 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, 2017 AND 2016

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.

The Organization reports investments in equity securities and money-market accounts with readily determinable fair values at quoted market values. The realized and unrealized gain and loss on investments are reflected in the Statements of Activities.

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, 2017 and 2016, an allowance of approximately \$27,000 and \$60,000, 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, 2017 and 2016.

THE YOUNG AMERICANS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventory

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

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.

Leasehold improvements in progress are costs spent on the Organization's leased facilities in Corona, California. The leasehold improvements will begin depreciating when construction of the tenant improvements is complete.

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 Harbor Springs area, to host overnight summer camp programs. In order for this project to begin, the Organization needs to raise support of approximately \$3,000,000. Boyne Highlands Resort plans to donate land and contribute to the cost of developing the infrastructure for the camp. Management of the Organization believes that this project will occur. In addition to construction of camp facilities, there was discussion about also building an outdoor amphitheater to present public concerts. In this regard, in 2014, the Organization paid fees to an architect of approximately \$39,000 related to the design of the amphitheater. Those fees were capitalized. Since that time, management of The Young Americans decided that the amphitheater is no longer part of the project in May 2017 and the architect fees have been written off.

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, 2017 and 2016.

THE YOUNG AMERICANS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Investments consist primarily of assets invested in equity securities and money-market accounts. The Organization accounts for investments in equity securities with readily determinable fair values in the Statement of Financial Position. Investment income and realized and unrealized gain or loss on investments are reflected in the Statement of Activities and classified in accordance with the presence or absence of donor stipulation.

Equity Investments

Equity investments consist of corporate stocks. Securities held in corporate stocks and are generally valued based on quoted market prices in active markets obtained from exchange or dealer markets for identical assets, and are accordingly categorized as Level 1, with no valuation adjustments applied.

Investment Risks

Investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the Statements of Financial Position.

Deferred Revenue

Deferred revenue consists of college 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.

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, 2017 and 2016, 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.

THE YOUNG AMERICANS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 \$208,000 and \$194,000 for the years ended June 30, 2017 and 2016, respectively.

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 YOUNG AMERICANS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses (Continued)

The major programs of the Organization are as follows:

- Performances Program – The Organization produces outreach tours, dinner theater and Christmas concert.
 - Outreach Tours – The students/members travel to “host schools” and put on a three-day workshop for elementary, junior high and high school level students (the “Participants”). 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 – The students/members travel to “host towns” and put on a five day music performance summer camp program for elementary, junior and senior high and college level students (“Campers”). 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 – The students/members perform at Boyne Highlands in Michigan. Dinner is served before the show and the members work as servers.
 - Christmas Concert – Shows are performed at the La Mirada, California community theater.

- College Program – 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 (“ACCJC”), 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. In July 2017, the Organization submitted its application for candidacy with ACCJC. The subsequent site visit was conducted in October 2017. 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.

THE YOUNG AMERICANS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2017 and 2016 was approximately \$200,000 and \$172,000, respectively.

Foreign Operations and Foreign Currency Translation

The Organization schedules outreach tours in several foreign countries (e.g. Germany, Japan, 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 22% and 30% of total revenues and support for the years ended June 30, 2017 and 2016, 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, 2017 and 2016, the Organization recorded a net transaction loss of \$58,180 and \$42,228, respectively.

THE YOUNG AMERICANS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

The Organization has evaluated subsequent events through October 12, 2017, 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.

At June 30, 2017, the current portion and long-term portion of the loan are \$2,220 and \$1,172, respectively.

Year Ending June 30,

2018	\$ 2,220
2019	<u>1,172</u>
	<u>\$ 3,392</u>

4. PROPERTY AND EQUIPMENT

The following is a summary of property and equipment, less accumulated depreciation at June 30, 2017 and 2016:

	2017	2016
Audio and visual equipment	\$ 333,497	\$ 317,413
Computers and other equipment	111,703	97,126
Leasehold improvements	520,375	506,795
Musical instruments	71,086	61,522
Office furniture and equipment	92,285	90,402
Software	18,579	14,130
Tour assets	419,373	346,054
Vehicles	<u>40,263</u>	<u>40,263</u>
	1,607,161	1,473,705

THE YOUNG AMERICANS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

4. PROPERTY AND EQUIPMENT (Continued)

Less accumulated depreciation	(1,312,295)	(1,159,656)
Architect fees for future amphitheater	-	39,160
Leasehold improvements in progress	<u>14,000</u>	<u>-</u>
Total	<u>\$ 308,866</u>	<u>\$ 353,209</u>

Depreciation expense for the years ended June 30, 2017 and 2016 was approximately \$153,000 and \$147,000, respectively.

5. INVESTMENTS AND FAIR VALUE MEASUREMENTS

The fair value measurement accounting literature, defines fair value, establishes a framework for measuring fair value, establishes a three-level valuation hierarchy for disclosure of fair value measurement and enhances disclosure requirements for fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of the fair value of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1 – defined as observable inputs such as quoted prices in active markets;

Level 2 – defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and

Level 3 – defined as unobservable inputs in which little or no market data exists, therefore, requiring an entity to develop its own assumptions.

Inputs refer broadly to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics and other factors. The Organization is required to maximize the use of observable inputs (Levels 1 and 2) and minimize the use of unobservable inputs (Level 3). The Organization considers observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the marketplace’s perceived risk of that instrument.

THE YOUNG AMERICANS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

5. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

The following table set forth, by level within the fair value hierarchy, the Organization's unrestricted investments at fair value on a recurring basis at June 30, 2017, based on the level of input utilized to measure fair value:

	<u>Fair Value Measurements Using:</u>		
	<u>Cost</u>	<u>Fair Value</u>	<u>Level 1</u>
<u>June 30, 2017</u>			
Money-market	\$ 111,819	\$ 111,818	\$ 111,818
Publicly-traded equities	<u>249,268</u>	<u>275,809</u>	<u>275,809</u>
Total investments at fair value	<u>\$ 361,087</u>	<u>\$ 387,627</u>	<u>\$ 387,627</u>

The Organization recognizes transfers of assets into and out of levels as of the date an event or change in circumstances causes the transfer. There were no transfers between levels in the year ended June 30, 2017.

Net investment income (investment income net of unrealized losses) for the year ended June 30, 2017 is approximately \$43,000. Investment fees are reported as an expense. The Organization paid investment fees of approximately \$3,000 for the year ended June 30, 2017.

6. 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, 2017 and 2016 was \$42,057 and \$26,930, respectively.

THE YOUNG AMERICANS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

7. NOTE PAYABLE

	<u>2017</u>	<u>2016</u>
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, 2017, the carrying amount of the asset was \$32,000.	<u>18,112</u>	<u>25,339</u>
Total long-term debt	18,112	25,339
Less current maturities of long-term debt	<u>(7,545)</u>	<u>(7,242)</u>
Total long-term debt, net of current portion	<u>\$ 10,567</u>	<u>\$ 18,097</u>

Maturities of long-term debt are as follows:

Year Ending June 30,

2018	\$ 7,545
2019	7,884
2020	<u>2,683</u>
	<u>\$ 18,112</u>

8. COMMITMENTS

Operating Leases

The Organization entered into an operating lease for an office building at 1128 Olympic Drive in Corona, California 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 for office buildings at 1112 and 1132 Olympic Drive in Corona 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 Organization also entered into an operating lease for an office building at 1701 Rimpau in Corona with monthly payments ranging from \$1,716 to \$1,756 expiring June 30, 2019. This lease also requires a monthly association fee of \$179.

THE YOUNG AMERICANS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

8. COMMITMENTS (Continued)

Operating Leases (Continued)

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>
2018	\$ 253,992	\$ 9,648	\$ 263,640
2019	<u>21,072</u>	<u>2,148</u>	<u>23,220</u>
	<u>\$ 275,064</u>	<u>\$ 11,796</u>	<u>\$ 286,860</u>

Occupancy expense, including maintenance charges and association fees, for the years ended June 30, 2017 and 2016 was approximately \$227,000 and \$216,000, respectively.

9. 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/Artistic Director (now current Chief Artistic Officer) \$10,000 during the year ended June 30, 2014. See Note 3 for the terms and five-year maturity schedule.

10. 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. 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, 2017 and 2016, the Foundation contributed \$33,000 and \$36,590, respectively, to the Organization for scholarships and student services activities.

THE YOUNG AMERICANS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

11. 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, 2017 and 2016, temporarily restricted net assets consist of the following:

	<u>2017</u>	<u>2016</u>
Scholarships	\$ 118,315	\$ 136,590
Virtual library	50,000	50,000
Outreach	31,798	-
Tutoring	<u>430</u>	<u>430</u>
	<u>\$ 200,543</u>	<u>\$ 187,020</u>

12. 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.

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 contributed 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 \$35,000 and \$34,000, respectively, for the years ended June 30, 2017 and 2016.

THE YOUNG AMERICANS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

12. RETIREMENT PLANS (Continued)

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, 2017 and 2016 is \$400,449 and \$381,380, respectively. The present value of accrued benefits based on 417(e) assumptions at June 30, 2017 and 2016 is \$462,512 and \$427,804, 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, 2017 and 2016, 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 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, 2017 are \$54,297 and \$250,964, respectively. 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, 2017 and 2016, the pension plan liability is \$95,188 and \$129,208, respectively.

THE YOUNG AMERICANS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

12. RETIREMENT PLANS (Continued)

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, 2017 and 2016, using a discount rate of 5.75%, the accrued postretirement benefits liability as reflected on the Statements of Financial Position is \$85,181 and \$69,455, respectively. The adjustment results in a decrease to income in the current year.

13. CONCENTRATION OF REVENUE AND SUPPORT

The Organization received approximately 12% and 50% of its contributions from a board member, including family members for the years ended June 30, 2017 and 2016, respectively.

14. 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 year ended June 30, 2017, and our report thereon dated October 12, 2017, which appears on page 1, 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 audit was conducted 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 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, 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.

The 2016 Supplementary Information in Schedules I to IV was subjected to the auditing procedures in the 2016 audit of the basic financial statements by Link, Murrel & Company, LLP, who merged with Redwitz, Inc. as of August 1, 2017, whose report expressed a qualified opinion because the 2016 financial statements did not use the required actuarial method for computing pension costs and for the omission of the required disclosures.

Redwitz, Inc.

Irvine, California
October 12, 2017

Redwitz, Inc.

Orange County	5520 Trabuco Road, Irvine, California 92620	(949) 753-1514 • (949) 753-1535 fax
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THE YOUNG AMERICANS, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2017

	Program Services			Supporting Services			Totals
	Performances	College	Total	General and		Total	
				Administrative	Fundraising		
Advertising	\$ 196,194	\$ 3,756	\$ 199,950	\$ -	\$ 362	\$ 362	\$ 200,312
Bad debts	10,396	68,536	78,932	-	-	-	78,932
Bank charges	-	-	-	82,159	12	82,171	82,171
Benefits	29,522	15,658	45,180	13,645	4,228	17,873	63,053
Campus facilities	109,070	139,834	248,904	27,967	2,797	30,764	279,668
Campus utilities	47,285	60,622	107,907	12,124	1,212	13,336	121,243
Classroom equipment	-	1,644	1,644	-	-	-	1,644
Contract labor	338,267	19,673	357,940	70,800	20,000	90,800	448,740
Costumes	45,944	-	45,944	-	-	-	45,944
Depreciation	104,058	31,019	135,077	17,562	-	17,562	152,639
Dues and subscriptions	12,307	6,994	19,301	3,867	2,700	6,567	25,868
Equipment rental	57,639	-	57,639	-	-	-	57,639
Insurance	52,592	31,082	83,674	29,242	3,712	32,954	116,628
Interest	951	-	951	-	-	-	951
Legal and accounting	-	-	-	61,192	-	61,192	61,192
Library	-	51,120	51,120	-	-	-	51,120
Music supplies	3,521	873	4,394	-	-	-	4,394
Office equipment	216	3,440	3,656	9,874	471	10,345	14,001
Other business expenses	61,441	5,821	67,262	16,365	32,140	48,505	115,767
Other production expenses	231,458	-	231,458	-	213	213	231,671
Payroll taxes	64,916	69,187	134,103	38,725	9,836	48,561	182,664
Pension	25,999	10,593	36,592	59,878	1,265	61,143	97,735
Performance space rental	265,013	-	265,013	-	-	-	265,013
Postage	7,981	88	8,069	-	706	706	8,775
Printing	10,104	322	10,426	4,396	1,766	6,162	16,588
Props	3,224	-	3,224	-	-	-	3,224
Salaries	815,459	888,285	1,703,744	375,467	123,092	498,559	2,202,303
Sets	7,145	-	7,145	-	-	-	7,145
Shipping	15,950	20	15,970	-	88	88	16,058
Software	-	27,090	27,090	7,293	299	7,592	34,682
Tax and licenses	7,205	4,802	12,007	160	-	160	12,167
Teaching supplies	-	2,856	2,856	-	-	-	2,856
Technical equipment	26,962	-	26,962	-	-	-	26,962
Travel	<u>1,266,751</u>	<u>1,632</u>	<u>1,268,383</u>	<u>21,157</u>	<u>16,897</u>	<u>38,054</u>	<u>1,306,437</u>
Total Expenses	<u>\$ 3,817,570</u>	<u>\$ 1,444,947</u>	<u>\$ 5,262,517</u>	<u>\$ 851,873</u>	<u>\$ 221,796</u>	<u>\$ 1,073,669</u>	<u>\$ 6,336,186</u>

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

	Program Services			Supporting Services			Totals
	Performances	College	Total	General and Administrative	Fundraising	Total	
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	882,157	11,393	893,550	21,267	10,145	31,412	924,962
Total Expenses	\$ 3,171,502	\$ 1,148,707	\$ 4,320,209	\$ 973,960	\$ 118,794	\$ 1,092,754	\$ 5,412,963

THE YOUNG AMERICANS, INC.
SCHEDULE OF COMBINED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Performances</u>	<u>College</u>	<u>Supporting</u>	<u>Totals</u>
Unrestricted Net Assets:				
Revenues and Other Support:				
Performances	\$ 3,407,589	\$ -	\$ -	\$ 3,407,589
Merchandise sales, net of cost of sales of \$175,112	138,056	-	-	138,056
College:				
Tuition	-	1,533,025	-	1,533,025
Student housing, net of expenses of \$695,631	-	118,461	-	118,461
Contributions	641,895	76,388	686,062	1,404,345
Other income (loss)	<u>(58,180)</u>	<u>-</u>	<u>53,312</u>	<u>(4,868)</u>
 Total unrestricted revenues	 4,129,360	 1,727,874	 739,374	 6,596,608
 Net Assets Released From Restrictions	 <u>40,000</u>	 <u>187,207</u>	 <u>-</u>	 <u>227,207</u>
 Total unrestricted revenues and other support	 4,169,360	 1,915,081	 739,374	 6,823,815
 Expenses:				
Program services:				
Performances	3,817,570	-	-	3,817,570
College	-	1,444,947	-	1,444,947
Supporting services:				
General and administrative	317,331	202,250	332,292	851,873
Fundraising	<u>-</u>	<u>-</u>	<u>221,796</u>	<u>221,796</u>
 Total expenses	 <u>4,134,901</u>	 <u>1,647,197</u>	 <u>554,088</u>	 <u>6,336,186</u>
 Increase in unrestricted net assets	 34,459	 267,884	 185,286	 487,629
 Temporarily Restricted Net Assets:				
Contributions	71,798	168,932	-	240,730
Net assets released from restrictions	<u>(40,000)</u>	<u>(187,207)</u>	<u>-</u>	<u>(227,207)</u>
 Increase (decrease) in temporarily restricted net assets	 <u>31,798</u>	 <u>(18,275)</u>	 <u>-</u>	 <u>13,523</u>
 Increase in Net Assets	 <u>\$ 66,257</u>	 <u>\$ 249,609</u>	 <u>\$ 185,286</u>	 <u>\$ 501,152</u>

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 STATEMENTS OF ACTIVITIES - PERFORMANCES
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

Unrestricted Net Assets:	2017	2016
Revenues and Other Support:		
Performances:		
Music outreach	\$ 2,062,227	\$ 1,817,079
Summer camps	582,234	573,908
Concerts	763,128	665,314
Merchandise sales, net of cost of sales of \$175,112 and \$175,745, respectively	138,056	137,511
Contributions	641,895	335,581
Other loss	<u>(58,180)</u>	<u>(42,228)</u>
Total unrestricted revenues	4,129,360	3,487,165
Net Assets Released From Restrictions	<u>40,000</u>	<u>1,654</u>
Total unrestricted revenues and other support	4,169,360	3,488,819
Expenses:		
Program services:		
Facility and performance spaces	421,368	350,635
Technical equipment	184,456	186,529
Travel	1,266,751	890,210
Personnel	1,274,163	1,169,423
Costumes, props and sets	56,313	43,616
Other production expenses	<u>614,519</u>	<u>531,089</u>
Total program services	3,817,570	3,171,502
Supporting services - General and administrative	<u>317,331</u>	<u>344,560</u>
Total expenses	<u>4,134,901</u>	<u>3,516,062</u>
Increase (decrease) in unrestricted net assets	34,459	(27,243)
Temporarily Restricted Net Assets:		
Contributions	71,798	-
Net assets released from restrictions	<u>(40,000)</u>	<u>(1,654)</u>
Increase (decrease) in temporarily restricted net assets	<u>31,798</u>	<u>(1,654)</u>
Increase (Decrease) in Net Assets	<u>\$ 66,257</u>	<u>\$ (28,897)</u>

THE YOUNG AMERICANS, INC.
SCHEDULE OF STATEMENTS OF ACTIVITIES - COLLEGE
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

Unrestricted Net Assets:	<u>2017</u>	<u>2016</u>
Revenues and Other Support:		
College:		
Tuition, net of discounts of \$6,440 for 2016	\$ 1,533,025	\$ 1,200,557
Student housing, net of expenses of \$695,631 and \$660,663, respectively	118,461	16,864
Contributions	<u>76,388</u>	<u>36,516</u>
Total unrestricted revenues	1,727,874	1,253,937
Net Assets Released From Restrictions	<u>187,207</u>	<u>198,058</u>
Total unrestricted revenues and other support	1,915,081	1,451,995
Expenses:		
Program services:		
Instructional	992,842	664,709
Student services	71,877	71,594
Library	51,120	51,645
Facilities	223,268	197,989
Equipment and technology	31,791	52,835
Admissions and enrollment	<u>74,049</u>	<u>109,935</u>
Total program services	1,444,947	1,148,707
Supporting services - General and administrative	<u>202,250</u>	<u>273,337</u>
Total expenses	<u>1,647,197</u>	<u>1,422,044</u>
Increase in unrestricted net assets	267,884	29,951
Temporarily Restricted Net Assets:		
Contributions	168,932	186,590
Net assets released from restrictions	<u>(187,207)</u>	<u>(198,058)</u>
Decrease in temporarily restricted net assets	<u>(18,275)</u>	<u>(11,468)</u>
Increase in Net Assets	<u>\$ 249,609</u>	<u>\$ 18,483</u>