



Young Audiences of Massachusetts
Developing The Next Generation of Creative Thinkers

ARTS FOR LEARNING

Financial Statements

For the Years Ended June 30, 2011 and 2010

Young Audiences of Massachusetts, Inc.
For the Years Ended June 30, 2011 and 2010

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Young Audiences of Massachusetts, Inc.
For the Years Ended June 30, 2011 and 2010

Independent Auditor's Report

To the Board of Directors
Young Audiences of Massachusetts

We have audited the accompanying statement of financial position of Young Audiences of Massachusetts, Inc. (a nonprofit organization) as of June 30, 2011 and 2010 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Young Audiences of Massachusetts, Inc. as of June 30, 2011 and 2010, and the changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Tobolsky & Wachler CPAs, LLC". The signature is written in a cursive style and is positioned above a horizontal line.

Tobolsky & Wachler CPAs, LLC
Sharon, Massachusetts
February 21, 2012

The accompanying notes are an integral part of these financial statements.

Young Audiences of Massachusetts, Inc.
Statement of Financial Position
For the Years Ended June 30, 2011 and 2010

	2011				2010			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
ASSETS								
CURRENT ASSETS								
Cash and Cash Equivalents (see Note 1b and Note 2)	\$ 77,144	\$ -	\$ -	\$ 77,144	\$ 53,920	\$ 43,639	\$ -	\$ 97,559
Short-Term Investments (see Note 1e and Note 2)	22,320	73,215	-	95,536	-	22,376	-	22,376
Accounts Receivable (see Note 1c and Note 3)	9,173	-	-	9,173	13,789	-	-	13,789
Grants and Pledges Receivable (see Note 1d and Note 3)	-	19,660	-	19,660	-	3,000	-	3,000
Prepaid Expenses	13,318	-	-	13,318	9,317	-	-	9,317
Total Current Assets	121,954	92,875	-	214,830	77,026	69,015	-	146,041
LONG-TERM ASSETS								
Long-Term Investments (see Note 1e and Note 2)	-	50,000	250,120	300,120	-	50,000	250,120	300,120
Security Deposit	2,500	-	-	2,500	2,500	-	-	2,500
Property and Equipment, Net (see Note 1f and Note 4)	3,407	-	-	3,407	1,960	-	-	1,960
Total Long-Term Assets	5,907	50,000	250,120	306,028	4,460	50,000	250,120	304,580
TOTAL ASSETS	127,862	142,875	250,120	520,858	81,486	119,015	250,120	450,621
LIABILITIES AND NET ASSETS								
CURRENT LIABILITIES								
Accounts Payable and Accrued Expenses	\$ 13,117	\$ -	\$ -	\$ 13,117	\$ 6,011	\$ -	\$ -	\$ 6,011
Deferred Revenue (see Note 1g)	14,496	-	-	14,496	8,466	-	-	8,466
Total Liabilities	27,613	-	-	27,613	14,477	-	-	14,477
NET ASSETS								
Unrestricted Net Assets	100,251	-	-	100,251	67,009	-	-	67,009
<i>Temporarily Restricted Net Assets</i>								
School Programs and Workshops	-	-	-	-	-	11,250	-	11,250
Healing Arts for Kids	-	15,375	-	15,375	-	57,765	-	57,765
Horizon for Homeless Children	-	57,500	-	57,500	-	-	-	-
Advocacy Program	-	20,000	-	20,000	-	-	-	-
National Endowment for the Arts Grant	-	50,000	-	50,000	-	50,000	-	50,000
<i>Subtotal</i>	<i>-</i>	<i>142,875</i>	<i>-</i>	<i>142,875</i>	<i>-</i>	<i>119,015</i>	<i>-</i>	<i>119,015</i>
<i>Permanently Restricted Net Assets</i>								
National Endowment for the Arts Match	-	-	150,000	150,000	-	-	150,000	150,000
Endowment	-	-	100,120	100,120	-	-	100,120	100,120
<i>Subtotal</i>	<i>-</i>	<i>-</i>	<i>250,120</i>	<i>250,120</i>	<i>-</i>	<i>-</i>	<i>250,120</i>	<i>250,120</i>
Total Net Assets (see Note 1a and Note 5)	100,251	142,875	250,120	493,246	67,009	119,015	250,120	436,144
TOTAL LIABILITIES AND NET ASSETS	127,863	142,875	250,120	520,858	81,486	119,015	250,120	450,621

The accompanying notes are an integral part of these financial statements.

Young Audiences of Massachusetts, Inc.
Statement of Activities
As of June 30, 2011 and 2010

	2011				2010			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE:								
Program Fees, Net of Discount of \$5,872 and \$4,670	\$ 489,907	\$ -	\$ -	\$ 489,907	\$ 536,905	\$ -	\$ -	\$ 536,905
Grants and Contributions	90,325	92,500	-	182,825	118,419	70,000	-	188,419
Fundraising and Special Events	31,103	-	-	31,103	21,450	-	-	21,450
Donated Services (see Note 1i)	11,547	-	-	11,547	4,255	-	-	4,255
Miscellaneous Income	315	-	-	315	-	-	-	-
Net Assets Released from Restrictions	68,640	(68,640)	-	-	59,013	(59,013)	-	-
Total Support and Revenue (see Note 1h)	691,837	23,860	-	715,697	740,042	10,987	-	751,029
OPERATING EXPENSES:								
Arts in Education Programs	595,163	-	-	595,163	622,141	-	-	622,141
Management and General Administrative (see Note 7)	95,287	-	-	95,287	115,591	-	-	115,591
Fundraising	43,396	-	-	43,396	38,217	-	-	38,217
Total Operating Expenses:	733,845	-	-	733,845	775,949	-	-	775,949
<i>Changes in Net Assets from Operations</i>	<i>(42,008)</i>	<i>23,860</i>	<i>-</i>	<i>(18,148)</i>	<i>(35,907)</i>	<i>10,987</i>	<i>-</i>	<i>(24,920)</i>
NON-OPERATING REVENUE (EXPENSES):								
				-				-
Interest and Dividends	8,164	-	-	8,164	6,739	-	-	6,739
Investment Fees	(2,727)	-	-	(2,727)	(2,702)	-	-	(2,702)
Net Realized Gains (Losses) on Investments	414	-	-	414	(18,230)	-	-	(18,230)
Net Unrealized Gains (Losses) on Investments	69,399	-	-	69,399	51,163	-	-	51,163
Total Non-Operating Expenses:	75,249	-	-	75,249	36,970	-	-	36,970
Increase (Decrease) in Net Assets	33,241	23,860	-	57,101	1,063	10,987	-	12,050
CHANGE IN NET ASSETS								
	33,241	23,860	-	57,101	1,063	10,987	-	12,050
Net Assets, Beginning of Year	67,009	119,015	250,120	436,144	65,946	108,028	250,120	424,094
Net Assets, End of Year	100,250	142,875	250,120	493,245	67,009	119,015	250,120	436,144
SUPPLEMENTAL DISCLOSURE OF STATEMENT OF ACTIVITIES INFORMATION								
	2011	2010						
Payments to Affiliated Organizations (see Note 8)	\$ 11,280	\$ 10,762						

The accompanying notes are an integral part of these financial statements.

Young Audiences of Massachusetts, Inc.
Statement of Cash Flows
For the Years Ended June 30, 2011 and 2010

	2011	2010
OPERATING ACTIVITIES:		
Change in Net Assets from Operations	57,101	12,050
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Dividends reinvested	(8,130)	(6,612)
Realized and unrealized loss (gain) on investments, net	(69,813)	(32,933)
Changes in Operating Assets and Liabilities		
Decrease (Increase) in Accounts Receivable, Net	(12,044)	2,496
Decrease (Increase) in Prepaid Expenses	(4,001)	(6,448)
Increase (Decrease) in Depreciation	3,664	2,352
Increase (Decrease) in Accounts Payable and Accrued Expense	7,106	2,701
Increase (Decrease) in Deferred Revenue	6,030	3,940
Net Cash Operating Activities	(20,087)	(22,454)
INVESTING ACTIVITIES:		
Investment in Property and Equipment	(5,111)	-
Purchases of Investments	(73,848)	(81,189)
Proceeds from Sales of Investments	78,631	83,637
Net Cash Investing Activities	(328)	2,448
FINANCING ACTIVITIES		
None		
Net Increase in Cash and Cash Equivalents	(20,415)	(20,006)
Cash and Cash Equivalents, Beginning of Year	97,559	117,565
Cash and Cash Equivalents, End of Year	77,144	97,559

The accompanying notes are an integral part of these financial statements.

Young Audiences of Massachusetts, Inc.
Notes to the Financial Statements
For the Years Ended June 30, 2011 and 2010

1. Nature of Organization and Significant Accounting Policies

Young Audiences of Massachusetts, Inc. (YAMA) was incorporated in October 1962 to initiate life-long involvement in the arts by making them integral to every child's education, regardless of the student's background, talents or special needs. YAMA serves as the vital link between Massachusetts' best performing artists, arts organizations and the region's school children. Young Audiences has more than 110 teaching artists who are nationally and internationally recognized in their fields and have the passion and expertise to work with and inspire children. During the fiscal year, Young Audiences reached over 150,000 students in urban, rural and suburban school districts throughout Massachusetts.

YAMA is affiliated with a national network of 31 Young Audiences' chapters, comprising the largest arts education network in the country. Every year, Young Audiences provides over 220,000 student / artist interactions through 1,500 performances, workshops and residencies in 450 sites.

Approximately 68% and 72%, respectively, for the years then ended of the Organization's support comes from program fees. The remaining support comes from individual and foundation donor contributions.

YAMA sponsors the following major programs:

- ***Assembly Performances.*** Interactive and educational performances that inspire and motivate! Through performances and assemblies, our nationally and internationally recognized professional artists and authors bring school curriculum to life through music, dance, performance and storytelling. Students can experience a broad range of programs – everything from African drumming to Shakespeare. Programs are selected to correspond to the Massachusetts Curriculum Standards.
- ***Artists-in-Residence.*** These multiple-session programs bring in professional teaching artists who integrate an art form into other subject areas. Each residency is planned in collaboration with classroom teachers and customized to fit the needs of each curriculum and school.
- ***Workshops.*** Introductory hands-on sessions that allow groups of up to 25 students to practice an art form with professional artists in a focused environment.
- ***Healing Arts for Kids.*** Provides assembly programs, workshops, and residencies for acutely and chronically ill children, physically and emotionally challenged children, and other special education populations in schools, hospital schools, hospitals and homeless shelters. In March 2010, this program was selected as one of ten national recipients to receive an *Arts Connect All* grant from Very Special Arts (VSA) and MetLife Foundation. This program encompasses:
 - ❖ *Expanding Horizons Through Music* a preschool music / literacy residency for at risk-children; and
 - ❖ *Together We Can Fly*, a unique program uniting disabled and non-disabled students through the arts

Young Audiences of Massachusetts, Inc.
Notes to the Financial Statements
For the Years Ended June 30, 2011 and 2010

a. **Financial Statement Presentation**

i. **Basis of Presentation**

The Organization reports information regarding the cost of providing various programs and activities summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

ii. **Display of Net Assets by Class**

Financial statement presentation follows the recommendation of the Financial Accounting Standards Board in FASB ASC 958-210-45. Under this ASC, the Association is required to report information regarding its financial position and activities to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. A description of the three net asset categories follows:

- *Unrestricted* - Net assets that are not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.
- *Temporarily Restricted* - Net assets whose use by the Association is subject to donor-imposed restrictions that can be fulfilled by actions of the Organization pursuant to those restrictions or that expire by the passage of time.
- *Permanently Restricted* - Net assets subject to donor-imposed restrictions that they be maintained permanently by the Organization.

b. **Cash and Cash Equivalents**

YAMA considers all highly liquid investments with maturities of three months or less, when purchased, to be cash equivalents. Restricted cash and cash equivalents are limited in use for payment of program costs to be expended during fiscal year 2011.

Cash and cash equivalents include bank accounts and money market accounts. At June 30, 2011 and 2010, cash and cash equivalents included \$77,144 and \$42,065 respectively, held in commercial banks which were insured by the Federal Deposit and Insurance Corporation and \$14,263 and \$55,494 respectively, held in money market funds. Cash and cash equivalents exclude cash designated or restricted for the endowment fund.

c. **Accounts Receivable**

Accounts Receivable, Pledges Receivable and Grants Receivable are stated at unpaid balances. Management anticipates that uncollected amounts are insignificant and will be collected within the next fiscal year.

d. **Grants and Pledges Receivable**

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports that support as unrestricted. The grants and pledges receivable balance at June 30, 2011 is \$19,660 and is expected to be collected within one year.

Young Audiences of Massachusetts, Inc.
Notes to the Financial Statements
For the Years Ended June 30, 2011 and 2010

e. **Investments**

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values based on quoted prices in active markets (all Level 1 measurements) in the Statement of Financial Position. Unrealized gains and losses are included in the Change in Net Assets in the accompanying Statement of Activities. Investment income and gains / losses are reported as increases / decreases in unrestricted net assets.

f. **Property, Plant and Equipment**

Property and equipment are stated at cost. Expenditures for maintenance and repairs are charged against General and Administrative expenses. Renewals and betterments that materially extend the life of the assets are capitalized.

Depreciation is computed on a straight-line basis over the estimated useful life of the assets as follows:

Furniture and Equipment	5 years
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g. **Deferred Revenue**

Deferred revenue consists of program fees received for services not yet rendered. These program fees will be recognized as revenue when the services are provided to the schools by the artists or performer.

h. **Revenue Recognition**

Program fees are recognized when the services are provided to the schools by the artist or performer. All contributions are considered available for YAMA's general programs unless specifically restricted by the donor. Support that is not restricted by the donor is reported as an increase in unrestricted net assets. Contributions that are restricted by the donor are also reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is 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 and reported in the Statement of Activities as net assets released from restrictions.

i. **Donated Services**

The Organization recognizes the fair value of contributed services received if such services (1) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. YAMA benefited from donated legal and accounting services which were valued by the firms providing the services at \$11,547 and \$4,255 during the years ended June 30, 2011 and 2010.

j. **Advertising Costs**

The Organization expenses advertising production costs the first time the advertising occurs. YAMA also produces an annual catalog which is mailed to the schools. The costs associated with the annual catalog are expensed since the anticipated future benefit expires within the

Young Audiences of Massachusetts, Inc.
Notes to the Financial Statements
For the Years Ended June 30, 2011 and 2010

current fiscal year. Management estimates that advertising expense for the years ended June 30, 2011 and 2010 was \$9,326 and \$5,900 respectively.

k. Income Taxes

YAMA is exempt from Federal and State income taxes under provisions of Section 501(c)(3) of the U.S. Internal Revenue Code and similar state statutes. Unrelated business income, of which the Organization had none for the years ending June 30, 2011 and 2010, would be subject to both federal and state income taxes. Consequently, the accompanying financial statements do not reflect any provision for income taxes.

l. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values based on quoted prices in active markets (all Level 1 measurements) in the Statement of Financial Position. Unrealized gains and losses are included in the Change in Net Assets in the accompanying Statement of Activities. Investment income and gains are reported as increases in unrestricted net assets. Investments at June 30, 2011 and 2010 were comprised of the following:

	2011	2010
Stock Funds	\$ 274,575	\$ 227,119
Bond Funds	104,398	92,551
Money Market	<u>16,683</u>	<u>58,319</u>
Total Investments	\$ 395,656	\$ 377,989

Investment income from these investments for the years ended June 30, 2011 and 2010 is summarized as follows:

	2011	2010
Interest and Dividend Income	\$ 8,164	\$ 6,739
Investment Fees	(2,727)	(2,702)
Net Realized and Unrealized Gains	<u>69,813</u>	<u>32,933</u>
Total Investment Return	\$ 75,249	\$ 36,970

3. Accounts, Pledges and Grants Receivable

Unconditional promises to give are recorded as receivables and revenues when received. YAMA distinguishes between contributions received for each net asset category in accordance with donor-imposed restrictions. Uncollected promises are expected to be insignificant.

Young Audiences of Massachusetts, Inc.
Notes to the Financial Statements
For the Years Ended June 30, 2011 and 2010

	2011	2010
Accounts Receivable (program fees)	\$ 9,173	\$ 13,789
Temporarily Restricted Grants - Healing Arts Program	7,660	3,000
Temporarily restricted Grants - Advocacy Program	<u>12,000</u>	<u>-</u>
Totals	\$ 28,833	\$ 16,789

4. Property and Equipment

Property and equipment in the accompanying financial statements is presented net of accumulated depreciation. The components of property and equipment at June 30, 2011 and 2010 are as follows:

	2011	2010
Office Equipment	\$ 11,330	\$ 11,330
Accumulated Depreciation	<u>(11,330)</u>	<u>(11,330)</u>
	-	-
Computer Equipment	16,871	11,760
Accumulated Depreciation	<u>(13,464)</u>	<u>(9,800)</u>
	3,407	1,960
Furniture and Fixtures	4,710	4,710
Accumulated Depreciation	<u>(4,710)</u>	<u>(4,710)</u>
	-	-
Total Property and Equipment	\$ 3,407	\$ 1,960

Depreciation expense was \$3,664 and \$2,352 for the years ended June 30, 2011 and 2010.

5. Endowments / Permanently Restricted Net Assets

Interpretation of Relevant Law

YAMA's Board of Directors has interpreted the Commonwealth of Massachusetts enacted version of UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets:

- (i) The original value of gifts donated to the permanent endowment;
- (ii) The original value of subsequent gifts to the permanent endowment; and
- (iii) Accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets, until those amounts are

Young Audiences of Massachusetts, Inc.
Notes to the Financial Statements
For the Years Ended June 30, 2011 and 2010

appropriated for expenditure by YAMA in a manner consistent with the standard of prudence prescribed by UPMIFA.

YAMA's Board classifies donor restricted funds and earnings thereon in accordance with applicable state law as interpreted by the Attorney General of Massachusetts. Accordingly, if the donor agreement does not prohibit the expenditures of appreciation, such gains would be classified as unrestricted net assets. Endowment fund assets are appropriated for expenditure in accordance with the directions and/or intent of the donor.

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

- (a) The duration and preservation of the fund;
- (b) The purposes of the Organization and the donor-restricted endowment fund;
- (c) General economic conditions;
- (d) The possible effects of inflation and deflation;
- (e) The expected total return from income and the appreciation of investments;
- (f) Other resources of the Organization; and
- (g) The investment policies of the Organization

Return Objective and Risk Parameters

YAMA's objective is to earn a respectable, long-term, risk-adjusted total rate of return to support the designated programs. The Organization recognizes and accepts that pursuing a respectable rate of return involves risk and potential volatility. The primary long-term financial objective is to preserve the value of the endowment investment portfolio to the extent possible and provide a reasonably predictable stream of revenue to provide appropriate funding to the programs supported by endowment funds. To satisfy its objectives, the Organization targets a diversified asset allocation that primarily includes fixed income and money market fund investments that are within prudent risk constraints. The asset allocation is evaluated on a regular basis.

Spending Policy

The Organization will appropriate for expenditure in its annual budget up to a maximum of 7% of the rolling average of the market value of the endowment assets over the preceding 12 quarters, the base to be adjusted for new capital contributions to the endowment. There may be times when the Organization may opt not to take the maximum spending rate but rather reinvest some of the annual return. This spending rate is based on the long-term assumption of 8% of nominal investment returns and a 3% inflation rate.

Changes in Endowment Net Assets

Changes in endowment net assets for the years ended June 30, 2011 and 2010 are as follows:

Young Audiences of Massachusetts, Inc.
Notes to the Financial Statements
For the Years Ended June 30, 2011 and 2010

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
2011				
Endowment Net Assets, Beginning of Year	\$ -	\$ 50,000	\$ 250,120	\$ 300,120
Contributions	-	-	-	-
Net Investment Return	-	57,080	-	57,080
Amounts Appropriated for Expenditure by the Board	-	(57,080)	-	(57,080)
Endowment Net Assets, As of June 30, 2011	\$ -	\$ 50,000	\$ 250,120	\$ 300,120
2010				
Endowment Net Assets, Beginning of Year	\$ -	\$ 50,000	\$ 250,120	\$ 300,120
Contributions	-	-	-	-
Net Investment Return	-	29,354	-	29,354
Amounts Appropriated for Expenditure by the Board	-	(29,354)	-	(29,354)
Endowment Net Assets, As of June 30, 2010	\$ -	\$ 50,000	\$ 250,120	\$ 300,120

In fiscal year 2000, the National Endowment for the Arts (NEA) awarded YAMA with a \$50,000 grant for planning and stabilization. In order to qualify for this grant, the Organization raised matching funds of \$150,000 by June 30, 2003.

The NEA grant is a restricted term endowment for ten years commencing on July 1, 2003. The earnings from this term endowment can be used to support continuing programs and stabilize the Organization as it expands its operations.

6. Leasing Arrangements

Rental of Office Space

YAMA leases its Boston office under a two-year non-cancelable operating lease that expires March 31, 2013. Annual lease payments are \$23,383 plus utilities. The rent and utility expense for the year ended June 30, 2011 and 2010 was \$31,361 and \$31,064, respectively. The minimum lease payments required for the rental of office space as of June 30, 2011 is:

FY 2012	\$ 23,383
FY 2013	17,538

Office Equipment Lease – Copier / Printer

YAMA leases its copier / printer under a 39-month operating lease that expires November 26, 2011 and its automated mailing system under a 57-month operating lease that expires August 17, 2014. The minimum lease payments required for the rental of both the copier / printer and the automated mailing system as of June 30, 2010 are:

	Copier / Printer	Mailing System	Total
FY 2012	1,740	2,232	3,972
FY 2013	-	2,232	2,232
FY 2014	-	279	279

Young Audiences of Massachusetts, Inc.
Notes to the Financial Statements
For the Years Ended June 30, 2011 and 2010

7. Management and General Administrative – Capacity Building

In 2010, the Organization embarked on a strategic initiative to increase its operational capacity in order to better support the YAMA's program services in the long-term. During FY11, the Organization continued its investment in significant resources in Management and General Administrative expenses in order to properly support this endeavor.

8. Related Party Transactions

YAMA is affiliated with a national network of 31 Young Audiences' chapters thereby providing arts-in-education programs to over 7 million school children annually. The national organization, Young Audiences, Inc., provides member affiliates with learning resources, technical assistance, conferences and professional development. For the years ended June 30, 2011 and 2010, YAMA paid membership fees of \$11,280 and \$10,762 to Young Audiences, Inc.

9. Subsequent Events

The Organization has evaluated all subsequent events through February 21, 2012, which is the date the financial statements were available to be issued.