



Young Audiences of Massachusetts
Developing The Next Generation of Creative Thinkers

ARTS FOR LEARNING

Financial Statements

For the Years Ended June 30, 2015 and 2014

Young Audiences of Massachusetts, Inc.
For the Years Ended June 30, 2015 and 2014

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Independent Auditor's Report

To the Board of Directors
Young Audiences of Massachusetts

We have audited the accompanying financial statements of Young Audiences of Massachusetts, Inc. (a nonprofit organization) which comprise the statements of financial position as of June 30, 2015 and 2014 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.

Auditor's Responsibility

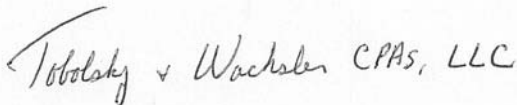
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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, 2015 and 2014, 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.



Tobolsky & Wachler CPAs, LLC
Sharon, Massachusetts
December 21, 2015

Young Audiences of Massachusetts, Inc.
Statement of Financial Position
For the Years Ended June 30, 2015 and 2014

	2015				2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
ASSETS								
CURRENT ASSETS								
Cash and Cash Equivalents (see Notes)	\$ 3,954	\$ 141,500	\$ -	\$ 145,454	\$ 41,017	\$ 82,873	\$ -	\$ 123,890
Short-Term Investments (see Notes)	4,970	-	-	4,970	5,022	-	-	5,022
Accounts Receivable (see Notes)	45,219	-	-	45,219	12,406	-	-	12,406
Grants and Pledges Receivable (see Notes)	50,000	50,000	-	100,000	13,679	33,500	-	47,179
Prepaid Expenses	6,597	-	-	6,597	6,175	-	-	6,175
Total Current Assets	110,740	191,500	-	302,240	78,299	116,373	-	194,672
LONG-TERM ASSETS								
Long-Term Investments (see Notes)	203,626	-	250,120	453,746	190,592	-	250,120	440,712
Property and Equipment, Net (see Notes)	6,032	-	-	6,032	5,601	-	-	5,601
Total Long-Term Assets	209,658	-	250,120	459,778	196,193	-	250,120	446,313
TOTAL ASSETS	\$ 320,398	\$ 191,500	\$ 250,120	\$ 762,018	\$ 274,492	\$ 116,373	\$ 250,120	\$ 640,985
LIABILITIES AND NET ASSETS								
CURRENT LIABILITIES								
Accounts Payable and Accrued Expenses	\$ 9,285	\$ -	\$ -	\$ 9,285	\$ 3,821	\$ -	\$ -	\$ 3,821
Deferred Revenue (see Notes)	11,902	-	-	11,902	3,717	-	-	3,717
Total Liabilities	21,187	-	-	21,187	7,538	-	-	7,538
NET ASSETS								
<i>Unrestricted Net Assets</i>								
Unrestricted Net Assets	206,546	-	-	206,546	232,168	-	-	232,168
Board-Designated Temporarily Restricted Net Assets - National Endowment for the Arts (see Notes)	50,000	-	-	50,000	-	-	-	-
Board-Designated Temporarily Restricted Net Assets	42,665	-	-	42,665	34,786	-	-	34,786
<i>Subtotal</i>	<i>299,211</i>	<i>-</i>	<i>-</i>	<i>299,211</i>	<i>266,954</i>	<i>-</i>	<i>-</i>	<i>266,954</i>
<i>Temporarily Restricted Net Assets</i>								
Horizons for Homeless Children	-	153,627	-	153,627	-	53,500	-	53,500
Gardner School	-	25,000	-	25,000	-	50,000	-	50,000
Advocacy Program	-	12,873	-	12,873	-	12,873	-	12,873
<i>Subtotal</i>	<i>-</i>	<i>191,500</i>	<i>-</i>	<i>191,500</i>	<i>-</i>	<i>116,373</i>	<i>-</i>	<i>116,373</i>
<i>Permanently Restricted Net Assets</i>								
National Endowment for the Arts Match Endowment	-	-	150,000	150,000	-	-	150,000	150,000
	-	-	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 Notes)	299,211	191,500	250,120	740,831	266,954	116,373	250,120	633,447
TOTAL LIABILITIES AND NET ASSETS	\$ 320,398	\$ 191,500	\$ 250,120	\$ 762,018	\$ 274,492	\$ 116,373	\$ 250,120	\$ 640,985

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

Young Audiences of Massachusetts, Inc.
Statement of Activities
As of June 30, 2015 and 2014

	2015				2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE:								
Program Fees, Net of Discount of \$9,935 and \$9,998	\$ 525,838	\$ -	\$ -	\$ 525,838	\$ 515,365	\$ -	\$ -	\$ 515,365
Grants and Contributions	142,892	163,500	-	306,392	159,422	127,500	-	286,922
Special Events	2,450	-	-	2,450	10,925	-	-	10,925
Donated Services (see Notes)	-	-	-	-	7,048	-	-	7,048
Net Assets Released from Restrictions	88,373	(88,373)	-	-	75,731	(75,731)	-	-
Total Support and Revenue (see Notes)	759,553	75,127	-	834,680	768,491	51,769	-	820,260
OPERATING EXPENSES:								
Arts in Education Programs	591,115	-	-	591,115	517,923	-	-	517,923
Management and General Administrative (see Notes)	120,025	-	-	120,025	184,432	-	-	184,432
Fundraising	29,171	-	-	29,171	21,648	-	-	21,648
Total Operating Expenses	740,311	-	-	740,311	724,003	-	-	724,003
<i>Changes in Net Assets from Operations</i>	<i>19,242</i>	<i>75,127</i>	<i>-</i>	<i>94,369</i>	<i>44,488</i>	<i>51,769</i>	<i>-</i>	<i>96,257</i>
NON-OPERATING REVENUE (EXPENSES):								
Interest and Dividends	7,781	-	-	7,781	5,934	-	-	5,934
Investment Fees	(3,661)	-	-	(3,661)	(3,328)	-	-	(3,328)
Net Realized Gains on Investments	22,564	-	-	22,564	20,868	-	-	20,868
Net Unrealized Gains (Losses) on Investments	(13,669)	-	-	(13,669)	36,805	-	-	36,805
Total Non-Operating Revenue:	13,015	-	-	13,015	60,279	-	-	60,279
Increase (Decrease) in Net Assets	\$ 32,257	\$ 75,127	\$ -	\$ 107,384	\$ 104,767	\$ 51,769	\$ -	\$ 156,536
CHANGE IN NET ASSETS								
Net Assets, Beginning of Year	32,257	75,127	-	107,384	104,767	51,769	-	156,536
Net Assets, Beginning of Year	266,954	116,373	250,120	633,447	154,755	64,604	250,120	469,479
Prior years changes in net assets (see Notes)	-	-	-	-	7,432	-	-	7,432
Net Assets, End of Year	\$ 299,211	\$ 191,500	\$ 250,120	\$ 740,831	\$ 266,954	\$ 116,373	\$ 250,120	\$ 633,447
SUPPLEMENTAL DISCLOSURE OF STATEMENT OF ACTIVITIES INFORMATION								
	2015	2014						
Payments to Affiliated Organizations (see Notes)	\$ 9,702	\$ 9,726						

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, 2015 and 2014

	2015	2014
OPERATING ACTIVITIES:		
Change in Net Assets from Operations	107,384	156,536
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net realized and unrealized loss (gain) on investments, net	(8,895)	(57,673)
Changes in Operating Assets and Liabilities		
Decrease (Increase) in Accounts Receivable, Net	(85,634)	(7,341)
Decrease (Increase) in Prepaid Expenses	(422)	612
Depreciation Expense	1,858	6,816
Bad debt Expense	3,595	-
Increase (Decrease) in Accounts Payable and Accrued Expenses	5,464	(8,821)
Increase (Decrease) in Deferred Revenue	8,185	(4,199)
Net Cash Operating Activities	31,535	85,930
INVESTING ACTIVITIES:		
Investment in Property and Equipment	(2,289)	(7,000)
Purchases of Investments	(100,469)	(136,366)
Sale of Investments	112,035	139,366
Reinvested Dividends and Interest	(19,248)	(5,934)
Net Cash Investing Activities	(9,971)	(9,934)
FINANCING ACTIVITIES		
None		
Net Increase in Cash and Cash Equivalents	21,564	75,996
Cash and Cash Equivalents, Beginning of Year	123,890	47,894
Cash and Cash Equivalents, End of Year	145,454	123,890

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, 2015 and 2014

1. Nature of Organization and Significant Accounting Policies

Young Audiences of Massachusetts, Inc. (YAMA) was incorporated in October 1962 to advance the artistic and educational development of children and youth by bringing them together with professional artists of all disciplines to learn, create and participate in the arts. YAMA has brought nationally and internationally acclaimed artists in music, theater and performing arts, dance and movement, storytelling and literature, and visual arts into Massachusetts schools for performances, workshops and residencies. The Organization's programming not only meets the highest standards of artistic quality but also ties in closely to state-determined learning objectives and curricula. YAMA's mission is to initiate life-long involvement in the arts by making them integral to every child's education.

YAMA is affiliated with a national network of 32 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 63% and 63% for the years FY15 and FY14 respectively, 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:

- *Dance / Movement*
- *Arts for Kids*
- *Music*
- *Storytelling & Authors*
- *Theatre and Puppetry*
- *Visual Arts*
- *Residency Programs*
- *Healing Arts for Kids.* This program brings accessible and inspiring arts learning opportunities to young people who would otherwise not be reached, from special needs populations including hospitals; hospital schools and homeless shelters; to underserved schools unable to afford day-time arts instructors. This program currently encompasses:
 - ❖ *Arts for Health and Care* is the founding initiative of *Healing Arts for Kids*. The program provides residencies, workshops and performances for acutely and chronically ill children, physically and cognitively challenged children, disadvantaged children and special education populations in schools, hospital schools, hospitals and other healing centers.
 - ❖ *Expanding Horizons Through Music* a preschool music / literacy residency for at risk-children which helps to close the kindergarten-preparedness gap for homeless children attending urban preschools.
 - ❖ *Friday Arts at Gardner Pilot Academy*, a series of yearlong, weekly arts learning residencies in dance, music, theater and storytelling that provide standards-based,

Young Audiences of Massachusetts, Inc.
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For the Years Ended June 30, 2015 and 2014

student-centered, direct arts instruction for the entire student body of this Title I Boston Public School in Allston with no full-time arts instructors on staff.

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 2016.

Cash and cash equivalents include bank accounts and money market accounts. At June 30, 2015 and 2014, cash and cash equivalents included cash deposits of \$119,689 and \$110,127 respectively, held in commercial banks which were insured by the Federal Deposit and Insurance Corporation and \$25,765 and \$13,763 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.

Young Audiences of Massachusetts, Inc.
Notes to the Financial Statements
For the Years Ended June 30, 2015 and 2014

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, 2015 and 2014 is \$100,000 and \$47,179, respectively, and is expected to be collected within one year.

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.

Short-term investments are over-the-counter marketable securities that the Organization received as a donation and intends to sell within 90 business days.

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:

Computer Equipment	3 years
Furniture and Equipment	5 years

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

Young Audiences of Massachusetts, Inc.
Notes to the Financial Statements
For the Years Ended June 30, 2015 and 2014

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 (a) 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 web development and legal services which were valued by the firms providing the services at \$0 and \$7,048 during the years ended June 30, 2015 and 2014.

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 current fiscal year. Management estimates that advertising expense for the years ended June 30, 2015 and 2014 was \$6,816 and \$7,194 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. The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples to tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. Unrelated business income, of which the Organization had none for the years ending June 30, 2015 and 2014, would be subject to both federal and state income taxes. Consequently, the accompanying financial statements do not reflect any provision for income taxes.

The Organization's federal Exempt Organization Income Tax Returns (Form 990) for 2015, 2014 and 2013 are subject to examination by the IRS, generally for three years after they were filed.

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.

Young Audiences of Massachusetts, Inc.
Notes to the Financial Statements
For the Years Ended June 30, 2015 and 2014

m. Comparative Data

The amounts shown for the year ended June 30, 2014 in the accompanying financial statements are included to provide a basis for 2014 and present summarized totals only. Accordingly, the 2014 totals are not intended to present all information necessary for a fair presentation in conformity with accounting principles generally accepted in the United States of America. Such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2014, from which the summarized information was derived.

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, 2015 and 2014 were comprised of the following:

	2015	2014
Stock Funds	\$ 310,494	\$ 300,448
Bond Funds	148,221	145,286
Money Market (included in cash equivalents)	<u>25,765</u>	<u>13,763</u>
Total Investments	\$ 484,480	\$ 459,497

Investment income from these investments for the years ended June 30, 2015 and 2014 is summarized as follows:

	2015	2014
Interest and Dividend Income	\$ 7,781	\$ 5,934
Investment Fees	(3,661)	(3,328)
Net Realized and Unrealized Gains	<u>8,895</u>	<u>57,673</u>
Total Investment Return	\$ 13,015	\$ 60,279

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.

	2015	2014
Accounts Receivable (program fees)	\$ 45,219	\$ 12,406
Grants and Pledges Receivable (Unrestricted)	50,000	13,679
Temporarily Restricted Grants - Arts in Education Program	<u>50,000</u>	<u>33,500</u>
Totals	\$ 145,219	\$ 59,585

Young Audiences of Massachusetts, Inc.
Notes to the Financial Statements
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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, 2015 and 2014 are as follows:

	2015	2014
Computer Equipment	\$ 5,111	\$ 5,111
Accumulated Depreciation	<u>(5,111)</u>	<u>(5,111)</u>
	-	-
Website	18,316	16,027
Accumulated Depreciation	<u>(12,284)</u>	<u>(10,426)</u>
	<u>6,032</u>	<u>5,601</u>
Total Property and Equipment	\$ 6,032	\$ 5,601

Depreciation expense was \$1,858 and \$6,816 for the years ended June 30, 2015 and 2014.

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 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;

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- (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 5% 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, 2015 and 2014 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
2015				
Endowment Net Assets, Beginning of Year	\$ -	\$ -	\$ 250,120	\$ 250,120
Contributions	-	-	-	-
Net Investment Return	6,719	-	-	6,719
Amounts Appropriated for Expenditure by the Board	<u>(6,719)</u>	<u>-</u>	<u>-</u>	<u>(6,719)</u>
Endowment Net Assets, As of June 30, 2015	\$ -	\$ -	\$ 250,120	\$ 250,120
2014				
Endowment Net Assets, Beginning of Year	\$ -	\$ 50,000	\$ 250,120	\$ 300,120
Contributions	-	-	-	-
Net Investment Return	37,341	-	-	37,341
Amounts Appropriated for Expenditure by the Board	<u>(37,341)</u>	<u>(50,000)</u>	<u>-</u>	<u>(87,341)</u>
Endowment Net Assets, As of June 30, 2014	\$ -	\$ -	\$ 250,120	\$ 250,120

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.

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The NEA grant was a restricted term endowment for ten years commencing on July 1, 2003 which expired as of June 30, 2014. The earnings from this term endowment can be used to support continuing programs and stabilize the Organization as it expands its operations.

Also, the Board voted to temporarily restrict the above \$50,000 grant and that the earnings from this grant continue to be used to support continuing programs.

6. Leasing Arrangements

Rental of Office Space

YAMA leases its Boston office under a two-year non-cancelable operating lease that expires March 31, 2016. Annual lease payments are \$28,800 plus utilities. The rent and utility expense for the year ended June 30, 2015 and 2014 was \$28,800 and \$27,900, respectively. The minimum lease payments required for the rental of office space as of June 30, 2015 is:

FY 2016	\$21,600
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7. Compensated Absences

Employees of YAMA are entitled to paid vacation, paid sick days and personal days off, depending on job classification, length of service and other factors. It is impracticable to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. YAMA's policy is to recognize the costs of compensated absences when actually paid to employees.

8. Prior Years Changes in Net Assets

Unrestricted net assets for the period ending June 30, 2014 were increased by \$7,432 due to prior years' aggregate of checks written that remained uncleared from the checking account in prior years. This correction has no effect on the results of the current year's activities. Had the error not occurred, the unrestricted net assets for the period ending June 30, 2014 would have been \$259,522.

9. Related Party Transactions

YAMA is affiliated with a national network of 32 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, 2015 and 2014, YAMA paid membership fees of \$9,702 and \$9,726 to Young Audiences, Inc.

The national organization, Young Audiences Inc., provided the Organization with a \$3,500 grant for strategic capacity building and another \$3,500 for an Organizational Assessment in which YAMA worked with a consultant to find a new Executive Director.

Young Audiences of Massachusetts, Inc.
Notes to the Financial Statements
For the Years Ended June 30, 2015 and 2014

10. Subsequent Events

The Organization hired a new Executive Direction in August, 2015. The Organization has evaluated all subsequent events through December 21, 2015, which is the date the financial statements were available to be issued.