

FINANCIAL STATEMENTS



**FOR THE YEARS ENDED
JUNE 30, 2020 AND 2019**

YOUNG SURVIVAL COALITION, INC.

CONTENTS

	PAGE NO.
INDEPENDENT AUDITOR'S REPORT	2 - 3
EXHIBIT A - Statements of Financial Position, as of June 30, 2020 and 2019	4
EXHIBIT B - Statements of Activities and Changes in Net Assets, for the Years Ended June 30, 2020 and 2019	5
EXHIBIT C - Statement of Functional Expenses, for the Year Ended June 30, 2020	6
EXHIBIT D - Statement of Functional Expenses, for the Year Ended June 30, 2019	7
EXHIBIT E - Statements of Cash Flows, for the Years Ended June 30, 2020 and 2019	8
NOTES TO FINANCIAL STATEMENTS	9 - 17



CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Young Survival Coalition, Inc.
New York, New York

We have audited the accompanying financial statements of Young Survival Coalition, Inc. (YSC), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

4550 MONTGOMERY AVENUE • SUITE 800 NORTH • BETHESDA, MARYLAND 20814
(301) 951-9090 • WWW.GRFCPA.COM

MEMBER OF CPAMERICA INTERNATIONAL, AN AFFILIATE OF CROWE GLOBAL
MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of YSC as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Gelman Rosenberg & Freedman

May 13, 2021

YOUNG SURVIVAL COALITION, INC.

STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2020 AND 2019

ASSETS

	<u>2020</u>	<u>2019</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 637,418	\$ 68,758
Investments	-	232,769
Contributions and grants receivable	162,925	380,787
Other receivables	36,934	-
Prepaid expenses and other assets	<u>88,942</u>	<u>105,065</u>
Total current assets	<u>926,219</u>	<u>787,379</u>
FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS		
Furniture	-	12,290
Software and related computer equipment	<u>94,263</u>	<u>94,263</u>
	94,263	106,553
Less: Accumulated depreciation and amortization	<u>(94,263)</u>	<u>(93,674)</u>
Net furniture, equipment and leasehold improvements	<u>-</u>	<u>12,879</u>
NONCURRENT ASSETS		
Security deposits	<u>109,691</u>	<u>113,524</u>
TOTAL ASSETS	<u>\$ 1,035,910</u>	<u>\$ 913,782</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Line of credit	\$ -	\$ 55,000
Loan payable	377,845	-
Accounts payable and accrued liabilities	57,101	229,252
Deferred rent	<u>39,014</u>	<u>34,876</u>
Total liabilities	<u>473,960</u>	<u>319,128</u>
NET ASSETS		
Without donor restrictions	492,048	517,812
With donor restrictions	<u>69,902</u>	<u>76,842</u>
Total net assets	<u>561,950</u>	<u>594,654</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,035,910</u>	<u>\$ 913,782</u>

YOUNG SURVIVAL COALITION, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions and grants	\$ 2,402,943	\$ 767,448	\$ 3,170,391	\$ 2,843,628	\$ 465,394	\$ 3,309,022
U.S. Government grants	82,411	-	82,411	359,742	-	359,742
Interest and investment income	1,883	-	1,883	8,850	-	8,850
In-kind contributions	62,757	-	62,757	58,804	-	58,804
Program service fees	36,667	-	36,667	96,035	-	96,035
Merchandise and other income	10,224	-	10,224	2,123	-	2,123
Net assets released from donor restrictions	<u>774,388</u>	<u>(774,388)</u>	<u>-</u>	<u>447,988</u>	<u>(447,988)</u>	<u>-</u>
Total support and revenue	<u>3,371,273</u>	<u>(6,940)</u>	<u>3,364,333</u>	<u>3,817,170</u>	<u>17,406</u>	<u>3,834,576</u>
EXPENSES						
Program Services	<u>2,819,527</u>	<u>-</u>	<u>2,819,527</u>	<u>3,330,653</u>	<u>-</u>	<u>3,330,653</u>
Supporting Services:						
Management and General	369,879	-	369,879	588,845	-	588,845
Fundraising	<u>207,631</u>	<u>-</u>	<u>207,631</u>	<u>403,716</u>	<u>-</u>	<u>403,716</u>
Total supporting services	<u>577,510</u>	<u>-</u>	<u>577,510</u>	<u>992,561</u>	<u>-</u>	<u>992,561</u>
Total expenses	<u>3,397,037</u>	<u>-</u>	<u>3,397,037</u>	<u>4,323,214</u>	<u>-</u>	<u>4,323,214</u>
Changes in net assets before other item	(25,764)	(6,940)	(32,704)	(506,044)	17,406	(488,638)
OTHER ITEM						
Reversal of deferred rent liability	<u>-</u>	<u>-</u>	<u>-</u>	<u>187,604</u>	<u>-</u>	<u>187,604</u>
Changes in net assets	(25,764)	(6,940)	(32,704)	(318,440)	17,406	(301,034)
Net assets at beginning of year	<u>517,812</u>	<u>76,842</u>	<u>594,654</u>	<u>836,252</u>	<u>59,436</u>	<u>895,688</u>
NET ASSETS AT END OF YEAR	<u>\$ 492,048</u>	<u>\$ 69,902</u>	<u>\$ 561,950</u>	<u>\$ 517,812</u>	<u>\$ 76,842</u>	<u>\$ 594,654</u>

See accompanying notes to financial statements.

YOUNG SURVIVAL COALITION, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	Program Services	Supporting Services		Total Supporting Services	Total Expenses
		Management and General	Fundraising		
Salaries and related benefits	\$ 1,732,705	\$ 158,062	\$ 70,036	\$ 228,098	\$ 1,960,803
Printing and production	17,447	63	548	611	18,058
Professional fees	57,942	116,112	2,552	118,664	176,606
Occupancy	96,704	26,102	4,263	30,365	127,069
Insurance	-	16,474	-	16,474	16,474
Depreciation and amortization	9,800	2,647	432	3,079	12,879
Telecommunications and technology	92,349	10,451	4,328	14,779	107,128
Travel, meals and entertainment	97,452	1,671	14,312	15,983	113,435
Consulting fees	83,242	1,973	2,959	4,932	88,174
Postage and delivery	19,814	1,024	1,026	2,050	21,864
Supplies	11,245	982	1,946	2,928	14,173
Subscriptions and publications	8,568	693	313	1,006	9,574
Advertising and promotion	21,141	393	1,994	2,387	23,528
Conferences, meetings and events	396,696	1	77,086	77,087	473,783
Bank, credit card and payroll processing fees	73,993	12,051	13,927	25,978	99,971
Equipment and rental	13,331	1,614	2,102	3,716	17,047
Grants, gifts and scholarships	36,271	87	14	101	36,372
Cost of goods sold/distributed	39,813	-	7,377	7,377	47,190
Uncollectible pledges	-	17,523	-	17,523	17,523
Licenses, registrations and permits	11,014	1,956	2,416	4,372	15,386
TOTAL	\$ 2,819,527	\$ 369,879	\$ 207,631	\$ 577,510	\$ 3,397,037

YOUNG SURVIVAL COALITION, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

	Program Services	Supporting Services		Total Supporting Services	Total Expenses
		Management and General	Fundraising		
Salaries and related benefits	\$ 1,718,920	\$ 259,752	\$ 128,475	\$ 388,227	\$ 2,107,147
Printing and production	18,500	32	567	599	19,099
Professional fees	47,951	154,534	3,730	158,264	206,215
Occupancy	152,167	61,429	12,705	74,134	226,301
Insurance	-	14,709	-	14,709	14,709
Depreciation and amortization	17,235	6,957	1,439	8,396	25,631
Telecommunications and technology	127,480	25,044	8,179	33,223	160,703
Travel, meals and entertainment	193,735	3,124	24,597	27,721	221,456
Consulting fees	130,426	1,683	7,167	8,850	139,276
Postage and delivery	37,365	1,735	1,301	3,036	40,401
Supplies	17,720	3,179	3,188	6,367	24,087
Subscriptions and publications	16,839	360	4,099	4,459	21,298
Advertising and promotion	34,925	62	6,025	6,087	41,012
Conferences, meetings and events	571,877	-	170,956	170,956	742,833
Bank, credit card and payroll processing fees	81,522	15,852	16,412	32,264	113,786
Equipment and rental	15,467	3,810	2,295	6,105	21,572
Grants, gifts and scholarships	83,787	-	-	-	83,787
Cost of goods sold/distributed	48,010	5	9,073	9,078	57,088
Uncollectible pledges	-	30,043	-	30,043	30,043
Licenses, registrations and permits	16,727	6,535	3,508	10,043	26,770
TOTAL	\$ 3,330,653	\$ 588,845	\$ 403,716	\$ 992,561	\$ 4,323,214

YOUNG SURVIVAL COALITION, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ (32,704)	\$ (301,034)
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	12,879	25,631
Loss on disposal of fixed assets	-	7,309
Unrealized (gain) loss on investments	(10,680)	432
Realized loss on sale of investments	10,137	-
Change in allowance for doubtful accounts	-	(4,000)
Decrease (increase) in:		
Contributions and grants receivable	217,862	68,061
Other receivables	(36,934)	-
Prepaid expenses and other assets	16,123	(7,353)
Security deposits	3,833	(30,191)
(Decrease) increase in:		
Accounts payable and accrued liabilities	(172,151)	(4,735)
Deferred rent	<u>4,138</u>	<u>(155,570)</u>
Net cash provided (used) by operating activities	<u>12,503</u>	<u>(401,450)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investments	233,312	-
Purchases of investments	<u>-</u>	<u>(6,529)</u>
Net cash provided (used) by investing activities	<u>233,312</u>	<u>(6,529)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayments on) proceeds from line of credit	(55,000)	55,000
Proceeds from loan payable	<u>377,845</u>	<u>-</u>
Net cash provided by financing activities	<u>322,845</u>	<u>55,000</u>
Net increase (decrease) in cash and cash equivalents	568,660	(352,979)
Cash and cash equivalents at beginning of year	<u>68,758</u>	<u>421,737</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 637,418</u>	<u>\$ 68,758</u>

YOUNG SURVIVAL COALITION, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

Young Survival Coalition, Inc. (YSC) is a non-profit organization, founded in 1998 and incorporated in the State of New York. YSC is the largest national organization dedicated to the critical issues unique to young women who are diagnosed with breast cancer. YSC offers resources, connections and outreach so women feel supported, empowered and hopeful.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.
- **Net Assets with Donor Restrictions** - Contributions restricted by donors are reported as increases in net assets without donor restrictions 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 "net assets with donor restrictions", depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities and Changes in Net Assets as net assets released from donor restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

New accounting pronouncements adopted -

During fiscal year 2020, YSC adopted ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. This guidance is intended to clarify and improve the scope and the accounting guidance for contributions received and contributions made. Key provisions in this guidance include clarification regarding the accounting for grants and contracts as exchange transactions or contributions, and improved guidance to better distinguish between conditional and unconditional contributions. YSC adopted the ASU using a modified prospective basis.

Also during fiscal year 2020, YSC adopted ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606), as amended. The ASU provides a framework for recognizing revenue and is intended to improve comparability of revenue recognition practices across for-profit and non-profit entities. Analysis of the various provisions of this standard resulted in no significant changes in the way YSC recognized revenue; however, the presentation and disclosures of revenue have been enhanced. YSC has elected to opt out of all (or certain) disclosures not required for non public entities and also elected a modified retrospective approach for implementation.

YOUNG SURVIVAL COALITION, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

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

Cash and cash equivalents -

YSC considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000. At times during the year, YSC maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Contributions and grants receivable -

Contributions and grants receivable are recorded at their net realizable value, which approximates fair value. The allowance for doubtful accounts is determined based upon an annual review of account balances, including the age of the balance and the historical experience with the donor. All receivables are expected to be collected in one year or less.

Investments -

Investments are recorded at their readily determinable fair value. Realized and unrealized gains and losses are included in "interest and investment income", which is presented net of investment expenses (paid to external investment advisors) in the accompanying Statements of Activities and Changes in Net Assets. Investments acquired by gift are recorded at their fair value at the date of the gift. YSC's policy is to liquidate all gifts of investments as soon as possible after the gift.

Furniture, equipment and leasehold improvements -

Furniture, equipment and leasehold improvements are stated at cost. Furniture and equipment with an acquisition value of \$5,000 (and above) are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to five years. As costs are incurred in developing and enhancing YSC's website (that qualify for capitalization in accordance with FASB ASC 350, *Intangibles - Goodwill and Other Assets*), they are capitalized and are amortized over a three year period. The cost of maintenance and repairs is recorded as expenses are incurred.

Depreciation and amortization expense for the years ended June 30, 2020 and 2019 totaled \$12,879 and \$25,631, respectively.

Income taxes -

YSC is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is only subject to tax on unrelated business income. YSC is not a private foundation.

Uncertain tax positions -

For the years ended June 30, 2020 and 2019, YSC has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

YOUNG SURVIVAL COALITION, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

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

Revenue recognition -

The majority of YSC's revenue is received through contributions from individual, corporations, foundations and other entities. Contributions and grants are recognized in the appropriate category of net assets in the period received. YSC performs an analysis of the individual award to determine if the revenue streams follow the contribution rules or if they should be recorded as an exchange transaction depending upon whether the transactions are deemed reciprocal or nonreciprocal.

For awards qualifying under the contribution rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Awards qualifying as contributions that are unconditional that have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor imposed restrictions and satisfaction of time restrictions; such funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying financial statements.

Awards qualifying as conditional contributions contain a right of return or right of release from obligation provision and a defined barrier (or barriers), and the entity has limited discretion over how funds transferred should be spent. Accordingly, revenue is recognized when the condition or conditions are satisfied (when the related barrier has been overcome; generally, when qualifying expenditures are incurred); these transactions are nonreciprocal and classified as conditional, and are recognized as contributions when the revenue becomes unconditional. YSC considers all awards from governments to be conditional assistance, and accordingly, awards are recognized as revenue (without donor restrictions) at such time when the award conditions are met. Funds received in advance of the incurrence of qualifying expenditures are recorded as refundable advances. YSC had no unrecognized conditional awards as of June 30, 2020 and 2019.

Revenue classified as exchange transactions follow ASU 2014-09, *Revenue from Contracts With Customers*, and is recorded when the performance obligations are met; the revenue is recognized as "without donor restrictions" and the transaction price is based on the criteria stipulated in the agreements. For Program Service Fees revenue, income is recorded upon the achievement of performance milestones, and then revenue is invoiced to customers. For Merchandise Income revenue, recognition of revenue occurs at the point in time when the sale is transacted (and invoiced to customers).

In-kind contributions -

YSC receives contributions of professional services (primarily donated legal fees) in furtherance of its programmatic purposes. During the years ended June 30, 2020 and 2019, contributions of \$62,757 and \$58,804, respectively, representing the fair value of these contributions, have been included in current year revenue; the offsetting expense has been allocated across appropriate functional expense areas in the accompanying Statements of Activities and Changes in Net Assets.

YSC also receives additional in-kind volunteer contributions for which an estimate of fair value is not determinable.

YOUNG SURVIVAL COALITION, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

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

Use of estimates -

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area of YSC are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort or other reasonable basis.

Investment risks and uncertainties -

YSC invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Fair value measurement -

YSC adopted the provisions of FASB ASC 820, *Fair Value Measurement*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements. YSC accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

Economic uncertainties -

On March 11, 2020, the World Health Organization declared the Coronavirus disease (COVID-19) a global pandemic. As a result of the spread of COVID-19, economic uncertainties have arisen which have negatively impact YSC's operations. Beginning in March 2020, all in-person fundraising and programmatic mission delivery events had to be cancelled and/or moved to virtual formats. Additionally, in the fall of 2020 the workforce was dramatically reduced due to loss of income. As of the date of this report, YSC continues to recover as the country reopens and in-person fundraising and mission delivery events can begin again.

New accounting pronouncement (not yet adopted) -

ASU 2019-01, *Leases* (Topic 842) changes the accounting treatment for operating leases by requiring recognition of a lease asset and lease liability at the present value of the lease payments in the Statements of Financial Position and disclosure of key information about leasing arrangements. During 2020, the FASB issued ASU 2020-05 and delayed the implementation date by one year.

YOUNG SURVIVAL COALITION, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

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

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

The ASU is effective for non public entities beginning after December 15, 2021. Early adoption is still permitted. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach or applied at the beginning of the period of adoption recognizing a cumulative-effect adjustment.

YSC plans to adopt the new ASU at the required implementation date and management is currently in the process of evaluating the adoption method and the impact of the new standard on its accompanying financial statements.

2. INVESTMENTS

Investments consisted of the following at June 30, 2020 and 2019:

	<u>2020</u>		<u>2019</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Mutual funds	\$ -	\$ -	\$ 243,309	\$ 231,611
Common stock	<u>-</u>	<u>-</u>	<u>140</u>	<u>1,158</u>
TOTAL INVESTMENTS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 243,449</u>	<u>\$ 232,769</u>

Included in interest and investment income are the following at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Interest and dividends	\$ 1,538	\$ 11,580
Unrealized gain (loss) on investments	10,680	(432)
Realized loss on sales of investments	(10,137)	-
Investment fees	<u>(198)</u>	<u>(2,298)</u>
TOTAL INTEREST AND INVESTMENT INCOME	<u>\$ 1,883</u>	<u>\$ 8,850</u>

3. LOAN PAYABLE

On May 4, 2020, YSC received loan proceeds in the amount of \$377,845 under the Paycheck Protection Program. The promissory note calls for monthly principal and interest (1%) payments amortized over the two-year term of the promissory note with a deferral of payments for the first sixteen months. Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the promissory note may be forgiven by the Small Business Administration (SBA) in whole or in part.

YSC has used the loan proceeds for purposes consistent with the Paycheck Protection Program and has filed for forgiveness. On March 22, 2021, the SBA forgave the full value of the loan, therefore, YSC will record revenue from debt extinguishment during the year ended June 30, 2021.

YOUNG SURVIVAL COALITION, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

4. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Program Services	<u>\$ 69,902</u>	<u>\$ 76,842</u>

5. NET ASSETS RELEASED FROM RESTRICTIONS

The following net assets were released from donor restrictions by incurring expenses which satisfied the restricted purposes specified by the donors:

	<u>2020</u>	<u>2019</u>
Program Services	<u>\$ 774,388</u>	<u>\$ 447,988</u>

6. LEASE COMMITMENTS

On June 19, 2013, YSC entered into a 127-month operating lease agreement (for its former principal office space in New York City, at 80 Broad Street), which commenced on September 25, 2013 (the actual possession date). As a part of the lease, YSC was required a security deposit in the amount of \$70,000 which is held on deposit at a local financial institution (and recorded as a security deposit in the accompanying Statements of Financial Position). Additionally, YSC was not obligated to pay rent for the first five months of occupancy (beginning on the possession date). Further, YSC was not obligated to pay rent for two additional months beginning on the first anniversary of the lease possession date. YSC is required to pay an annual escalation (approximately 2.3%) and its pro-rata share of the building's operating expenses and real estate taxes.

On October 18, 2018, YSC entered into an agreement (effective November 15, 2018) to sublease its office space at 80 Broad Street. The agreement required the sublessee to pay a security deposit in the amount of \$81,900, which was paid to a local financial institution as a standby letter of credit (not controlled by YSC); additionally, the agreement also provided for one month (January 2019) of rental abatement. The sublease agreement will expire on April 29, 2024.

On November 7, 2018, YSC entered into a 62-month agreement for office space in New York (75 Broad Street). Base rent required under the agreement was \$7,456 per month; however, the lease provided an abatement of the first two months following the commencement date (December 2018 and January 2019). Annual rent increases equaled 2.5% each year of the term, effective on each anniversary of the initial month of payment. The lease agreement also required a security deposit totaling \$39,191, which was paid during November 2018 (and is recorded as a security deposit in the accompanying Statements of Financial Position).

YSC also maintained office space in Atlanta under a lease that was set to expire during November 2022. The lease included an annual 3.5% escalation, and required a ratable share of real estate taxes and related operating expenses. The lease was terminated early as of June 30, 2020.

As all aforementioned lease agreements include annual escalations and provide periods of free rent, generally accepted accounting principles require that the total rent commitment should be recognized on a straight-line basis over the term of the lease. Accordingly, the difference between the actual monthly payments and the rent expense being recognized for financial statement purposes is being deferred (amortized over the term of the lease agreement).

YOUNG SURVIVAL COALITION, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

6. LEASE COMMITMENTS (Continued)

During the year ended June 30, 2019, YSC ceased to occupy the 80 Broad Street office and therefore the remaining deferred rent liability was written off in full and reported as an "Other Item" in the Statements of Activities and Changes in Net Assets.

As of June 30, 2020, the deferred rent liability aggregated \$16,597 (for 75 Broad Street), plus \$22,417 of prepaid sublease rental income (for 80 Broad Street) that was received as of fiscal year-end. Accordingly, the total deferred rent liability in the accompanying Statement of Financial Position totaled \$39,014.

As of June 30, 2019, the deferred rent liability aggregated \$12,304 (for 75 Broad Street), plus \$667 (for the Atlanta lease) and \$21,905 of prepaid sublease rental income (for 80 Broad Street) that was received as of fiscal year-end. Accordingly, the total deferred rent liability in the accompanying Statement of Financial Position totaled \$34,876.

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

Year Ending June 30,

2021	\$	358,082
2022		366,605
2023		375,341
2024		<u>286,094</u>
	\$	<u>1,386,122</u>

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

Year Ending June 30,

2021	\$	273,725
2022		280,139
2023		286,713
2024		<u>244,261</u>
	\$	<u>1,084,838</u>

During the years ended June 30, 2020 and 2019, occupancy expense (net of rental income) totaled \$127,069 and \$226,301, respectively.

7. LINE OF CREDIT

YSC maintains a \$150,000 line of credit with a local financial institution. The line of credit bears interest at the bank's prime rate plus 2.75% (6.00%) and matures on May 4, 2022. The line of credit is secured by YSC's cash, receivables and capital assets. As of June 30, 2019, total borrowings aggregated \$55,000 (there no borrowings outstanding as of June 30, 2020).

8. RETIREMENT PLAN

On January 1, 2006, YSC established a retirement plan (the Plan) under IRS Section 401(k) of the Internal Revenue Code. Participation in the Plan is available to all employees who have completed six months of service and have attained 21 years in age.

YOUNG SURVIVAL COALITION, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

8. RETIREMENT PLAN (Continued)

YSC provides a match for all employee contributions to the Plan on a discretionary basis. Beginning January 1, 2015, YSC amended the Plan to provide a 3% safe harbor non-elective contribution for all employees. During the years ended June 30, 2020 and 2019, YSC contributed \$41,591 and \$39,380, respectively, to the Plan.

9. FAIR VALUE MEASUREMENT

In accordance with FASB ASC 820, *Fair Value Measurement*, YSC has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Investments recorded in the Statements of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market YSC has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used at June 30, 2020.

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

There were no investments held by YSC as of June 30, 2020 (all fully liquidated). The table below summarizes, by level within the fair value hierarchy, YSC's investments as of June 30, 2019:

Asset Class	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 231,611	\$ -	\$ -	\$ 231,611
Common stock	<u>1,158</u>	<u>-</u>	<u>-</u>	<u>1,158</u>
TOTAL INVESTMENTS	<u>\$ 232,769</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 232,769</u>

There were no transfers between levels in the fair value hierarchy during the years ended June 30, 2020 and 2019.

YOUNG SURVIVAL COALITION, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

10. LIQUIDITY

Financial assets available for use for general expenditures within one year of the Statements of Financial Position date comprise the following:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 637,418	\$ 68,758
Investments	-	232,769
Contributions and grants receivable	162,925	352,857
Other receivables	<u>36,934</u>	<u>27,930</u>
Subtotal financial assets available within one year	837,277	682,314
Less: donor restricted funds	<u>(69,902)</u>	<u>(76,842)</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 767,375</u>	<u>\$ 605,472</u>

YSC is partially supported by restricted contributions; as a donor's restriction requires resources to be used in a particular manner or in a future period, YSC must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of YSC's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

As of June 30, 2020 and 2019, YSC has financial assets equal to approximately 2.50 and 1.50 months, respectively, of financial assets available for its upcoming fiscal year operating expenses.

11. SUBSEQUENT EVENTS

In preparing these financial statements, YSC has evaluated events and transactions for potential recognition or disclosure through May 13, 2021, the date the financial statements were issued.

On February 3, 2021, YSC received loan proceeds in the amount of \$119,160 under the Paycheck Protection Program. The promissory note calls for monthly principal and interest (1%) payments amortized over the five-year term of the promissory note with a deferral of payments for the first sixteen months. Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the promissory note may be forgiven by the Small Business Administration (SBA) in whole or in part. YSC has used the loan proceeds for purposes consistent with the Paycheck Protection Program and believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan. As of the date of this report, YSC has not filed for forgiveness.

On February 28, 2021, YSC vacated its office space at 75 Broad Street. Rent has been paid in full through this date, through the forfeiture of its security deposit (representing four months rent) plus four additional months paid rent through the date vacated. As of the date of this report, the terms and conditions as stated in Note 6 have yet to be renegotiated.