



Young Americans

CENTER FOR FINANCIAL EDUCATION.

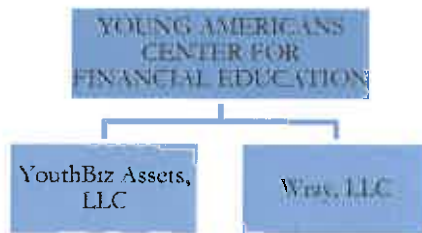
June 2016

RE: 2015 Explanation of Statement of Financial Position

Dear Supporter,

Young Americans Center for Financial Education experienced an extraordinary event in 2015 when it acquired YouthBiz, Inc. on February 28, 2015. YouthBiz, Inc., a beloved community organization located in the Five Points neighborhood, is dedicated to advancing the social and economic prosperity of youth through the study and practice of entrepreneurship.

At the time of acquisition, YouthBiz Assets, LLC was formed and became a wholly owned subsidiary of Young Americans Center for Financial Education (YACFE). Our second wholly-owned subsidiary, Wray LLC, continues to be consolidated in the financial statements.



In presenting the audited financial statements for 2015, management thought it prudent to present comparative financial statements so you can see YACFE's financial results for the year without the effect of the YouthBiz acquisition and its 10 months of operations. In 2015, the change in net assets attributable to ongoing YACFE programs after taking into consideration one-time events and future year pledges is \$19,430.

Change in Total Net Assets 2015	\$788,254
Amount attributable to YouthBiz, Inc.	- 447,882
Change in net assets attributable to same YACFE programs	\$340,372
Future Year Pledges (multi-year sponsorships)	- 250,000
One-time legal and branding expenses related to YouthBiz acquisition	- 70,942
Net Results Excluding YouthBiz and Future Year Pledges	\$ 19,430

Young Americans Center for Financial Education welcomes the opportunity to walk through our financial statements with you to explain the extraordinary events that affected our 2015 financial statements.

Sincerely,

Richard E. Martinez, Jr.
President and CEO
rmartinez@yacenter.org
303-321-2265



Money Smarts for Kids. Money skills for Life.

Young Americans Center for Financial Education
Statement of Financial Position
Years Ended December 31, 2015 and 2014

	Audited Consolidated 12/31/2015	YB Assets, LLC 12/31/2015	Note	Adjusted 12/31/2015	Audited Consolidated 12/31/2014
<u>Assets</u>					
Cash and cash equivalents	1,435,750			1,435,750	1,277,746
Cash restricted for YouthBiz Assets	326,476	326,476	1	0	0
Accounts receivable	53,928	7,593		46,335	28,255
Contributions receivable - 2015	52,125	21,197		30,928	143,430
Future pledges receivable	220,000			220,000	0
Prepaid expenses and other assets	121,783	101,116	2	20,667	7,981
Inventory	54,008			54,008	16,976
Property and equipment, net	301,776	8,861		292,915	267,036
Investment in Wray LLC	0			0	0
	-----	-----		-----	-----
Total assets	2,565,846	465,243		2,100,603	1,741,424
	=====	=====		=====	=====
<u>Liabilities and Net Assets</u>					
Accounts payable and accrued liabilities	53,535	1,650		51,885	7,722
Accrued payroll and payroll taxes	23,285	13,430		9,855	30,871
Advance payments on program fees	66,105			66,105	62,615
Unearned rental income	0			0	2,675
Capital lease obligations	6,543	2,280		4,263	9,417
	-----	-----		-----	-----
Total liabilities	149,468	17,360		132,108	113,300
				0	
Net assets:					
Unrestricted	1,789,027	113,814		1,675,213	1,441,624
Temporarily restricted	627,351	334,069	1	293,282	186,500
	-----	-----		-----	-----
Total net assets	2,416,378	447,883		1,968,495	1,628,124
	-----	-----		-----	-----
Total liabilities and net assets	2,565,846	465,243		2,100,603	1,741,424
	=====	=====		=====	=====

Notes:

- 1 YouthBiz cash is temporarily restricted for future YouthBiz program development
- 2 YouthBiz prepaid rent in the amount of \$100,000 prior to the acquisition

Young Americans Center for Financial Education
Statement of Activities - 12/31/2015

	Audited Consolidated 12/31/2015	YB Assets, LLC 12/31/2015	Note	Adjusted 12/31/2015	Note	Audited Consolidated 12/31/2014
Revenue and Support:						
Gifts and grants:						
Contributions (genl & fin asstnc)	1,378,855	537,077		841,778		781,153
Future Year Pledges recorded	250,000			250,000		0
In-kind donations	1,099,265			1,099,265		1,105,252
Net assets acquired in acquisition of YB, Inc	175,673	175,673	1	0		0
Program fees, net of discounts totaling \$87,050	877,277			877,277		845,890
Interest income	1,102			1,102		1,299
Special event revenue(\$3,068 inkind)	266,960			266,960		236,700
Special event expensed(\$3,068 inkind)	-74,582			-74,582		-53,955
Rental/consulting income	27,689	5,024		22,665		22,399
	-----	-----		-----		-----
Total revenue	4,002,239	717,774		3,284,465		2,938,738
Operating Expenses:						
Program services:						
Young AmeriTowne	1,217,014			1,217,014		1,148,360
International Towne	507,030			507,030		540,513
Summer Programs	344,546			344,546		304,765
Rural YAT, plus/minus eq in Wray	123,234			123,234		106,794
YouthBiz, plus or minus equity	333,934	262,992		70,942	2	0
Young Entrepreneurs	99,964			99,964		165,976
Other programs	5,353			5,353		28,688
	-----	-----		-----		-----
Total program services	2,631,075	262,992		2,368,083	3	2,295,096
Supporting services:						
Management and general	229,713	0		229,713		237,604
Fundraising	353,197	6,900		346,297		305,310
	-----	-----		-----		-----
Total supporting services	582,910	6,900		576,010		542,914
	-----	-----		-----		-----
Total expenses	3,213,985	269,892		2,944,093		2,838,010
	-----	-----		-----		-----
Change in net assets	788,254	447,882		340,372		100,728
Net assets, beginning of year	1,628,124	0		1,628,124		1,527,396
	-----	-----		-----		-----
Net assets - end of year	2,416,378	447,882		1,968,496		1,628,124

Notes:

- 1** Assets acquired consist of furniture, equipment and prepaid rent
- 2** Legal and branding fees paid by the Center to acquire YouthBiz - \$70,942
- 3** Program expenses (variance \$ 72,987) remain level between years when removing the cost of acquisition (\$70,942)

Young Americans Center for Financial Education

Financial Statements

December 31, 2015 and 2014

(With Independent Auditor's Report Thereon)

Kundinger, Corder & Engle, P.C.

Certified Public Accountants

Independent Auditor's Report

Board of Directors

Young Americans Center for Financial Education:

We have audited the accompanying consolidated financial statements of Young Americans Center for Financial Education (the Center), which comprise the consolidated statements of financial position as of December 31, 2015 and 2014, and the related consolidated 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 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.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Young Americans Center for Financial Education as of December 31, 2015 and 2014, 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.

Young Americans Center for Financial Education
Consolidated Statements of Financial Position
December 31, 2015 and 2014

	2015	2014
Assets:		
Cash and cash equivalents	\$ 1,435,750	1,277,746
Cash restricted for YouthBiz Assets, LLC	326,476	-
Accounts receivable	53,928	28,255
Contributions receivable (note 2)	272,125	143,430
Prepaid expenses and other assets	121,783	7,981
Inventory (note 1g)	54,008	16,976
Property and equipment, net (note 3)	301,776	267,036
Total assets	\$ 2,565,846	1,741,424
 Liabilities and Net Assets:		
Liabilities:		
Accounts payable and accrued liabilities	\$ 53,535	7,722
Accrued payroll and payroll taxes	23,285	30,871
Advance payments on program fees and unearned rental income	66,105	65,290
Capital lease obligation	6,543	9,417
Total liabilities	149,468	113,300
 Net assets:		
Unrestricted	1,789,027	1,441,624
Temporarily restricted (note 5)	627,351	186,500
Total net assets	2,416,378	1,628,124
 Commitments (notes 6 and 7)		
Total liabilities and net assets	\$ 2,565,846	1,741,424

See accompanying notes to consolidated financial statements.

Young Americans Center for Financial Education
Consolidated Statement of Activities
Year Ended December 31, 2015

	Unrestricted	Temporarily Restricted	Total
Revenue and Support:			
Gifts and grants:			
Contributions	\$ 896,204	732,651	1,628,855
In-kind donations (note 4)	1,099,265	-	1,099,265
Net assets acquired in acquisition of YouthBiz, Inc.	175,673	-	175,673
Program fees, net of discounts totaling \$87,050	877,277	-	877,277
Interest income	1,102	-	1,102
Special event revenue (\$3,068 in-kind)	266,960	-	266,960
Special event expenses (\$3,068 in-kind)	(74,582)	-	(74,582)
Rental income (net of expense of \$11,782) and other	27,689	-	27,689
Net assets released from restrictions due to satisfaction of expenditure requirements	291,800	(291,800)	-
Total revenue	<u>3,561,388</u>	<u>440,851</u>	<u>4,002,239</u>
Operating Expenses:			
Program services:			
Young AmeriTowne (\$519,867 in-kind)	1,217,014	-	1,217,014
International Towne (\$299,155 in-kind)	507,030	-	507,030
Summer programs (\$138,324 in-kind)	344,546	-	344,546
Rural programs (\$46,507 in-kind)	123,234	-	123,234
YouthBiz	333,934	-	333,934
Youth Entrepreneurism (\$46,764 in-kind)	99,964	-	99,964
Other programs (\$375 in-kind)	5,353	-	5,353
Total program services	<u>2,631,075</u>	<u>-</u>	<u>2,631,075</u>
Supporting services:			
Management and general (\$7,212 in-kind)	229,713	-	229,713
Fundraising (\$36,061 in-kind)	353,197	-	353,197
Total supporting services	<u>582,910</u>	<u>-</u>	<u>582,910</u>
Total expenses	<u>3,213,985</u>	<u>-</u>	<u>3,213,985</u>
Change in net assets	<u>347,403</u>	<u>440,851</u>	<u>788,254</u>
Net assets, beginning of year	1,441,624	186,500	1,628,124
Net assets, end of year	<u>\$ 1,789,027</u>	<u>627,351</u>	<u>2,416,378</u>

See accompanying notes to consolidated financial statements.

Young Americans Center for Financial Education
Consolidated Statement of Activities
Year Ended December 31, 2014

	Unrestricted	Temporarily Restricted	Total
Revenue and Support:			
Gifts and grants:			
Contributions	\$ 551,823	229,330	781,153
In-kind donations (note 4)	1,105,252	-	1,105,252
Program fees, net of discounts totaling \$61,065	845,890	-	845,890
Interest income	1,299	-	1,299
Special event revenue (\$4,248 in-kind)	236,700	-	236,700
Special event expenses (\$4,248 in-kind)	(53,955)	-	(53,955)
Rental income (net of expenses of \$10,942) and other	22,399	-	22,399
Net assets released from restrictions due to satisfaction of expenditure requirements	273,251	(273,251)	-
Total revenue	2,982,659	(43,921)	2,938,738
Operating Expenses:			
Program services:			
Young AmeriTowne (\$493,340 in-kind)	1,148,360	-	1,148,360
International Towne (\$311,474 in-kind)	540,513	-	540,513
Summer programs (\$141,506 in-kind)	304,765	-	304,765
Rural programs (\$36,469 in-kind)	106,794	-	106,794
Youth Entrepreneurism (\$66,833 in-kind)	165,976	-	165,976
Other programs (\$698 in-kind)	28,688	-	28,688
Total program services	2,295,096	-	2,295,096
Supporting services:			
Management and general (\$12,795 in-kind)	237,604	-	237,604
Fundraising (\$37,137 in-kind)	305,310	-	305,310
Total supporting services	542,914	-	542,914
Total expenses	2,838,010	-	2,838,010
Change in net assets	144,649	(43,921)	100,728
Net assets, beginning of year	1,296,975	230,421	1,527,396
Net assets, end of year	\$ 1,441,624	186,500	1,628,124

See accompanying notes to consolidated financial statements.

Young Americans Center for Financial Education
Consolidated Statements of Cash Flows
Years Ended December 31, 2015 and 2014

	2015	2014
Cash flows from operating activities:		
Change in net assets	\$ 788,254	100,728
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	78,839	53,740
Donated toy inventory	(5,000)	(5,000)
Cash restricted for YouthBiz Assets, LLC	(326,476)	-
Assets acquired in acquisition of YouthBiz, Inc.	(175,673)	-
Loss on disposal of asset	176	-
(Increase) decrease in operating assets:		
Contributions receivable	(128,695)	20,370
Accounts receivables	(25,673)	(433)
Prepaid expenses and other assets	51,871	848
Inventory	(32,032)	49,716
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	45,813	(51,777)
Accrued payroll and payroll taxes	(7,586)	(31,588)
Advance payment on program fees and unearned rental income	815	7,851
Net cash provided by operating activities	<u>264,633</u>	<u>144,455</u>
Cash flows from investing activities:		
Payments for purchases of equipment	(103,755)	(142,365)
Net cash used in investing activities	<u>(103,755)</u>	<u>(142,365)</u>
Cash flows from financing activities:		
Payments on capital lease obligation	(2,874)	(4,608)
Net cash used in financing activities	<u>(2,874)</u>	<u>(4,608)</u>
Net increase (decrease) in cash and cash equivalents	158,004	(2,518)
Cash and cash equivalents at beginning of year	<u>1,277,746</u>	<u>1,280,264</u>
Cash and cash equivalents at end of year	<u>\$ 1,435,750</u>	<u>1,277,746</u>
Supplemental information:		
Cash flow information:		
Cash payments for interest	\$ <u>1,039</u>	<u>1,350</u>
Non-cash information:		
Donated inventory	\$ <u>5,000</u>	<u>5,000</u>
Assets acquired in acquisition of YouthBiz, Inc.	\$ <u>175,673</u>	<u>-</u>

See the accompanying notes to the consolidated financial statements.

Young Americans Center for Financial Education

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

(1) Summary of Significant Accounting Policies

(a) General

Young Americans Center for Financial Education was formed as a not-for-profit corporation in October 2000 but began operations effective January 1, 2001. Young Americans Center for Financial Education (the "Center") is committed to developing the financial literacy of young people through real-life experiences and hands-on programs purposefully designed to enable them to prosper in the free enterprise system.

The Center consolidates the activities of Rural Young Americans Center for Financial Education, LLC and YouthBiz Assets, LLC in the accompanying financial statements. Rural Young Americans Center for Financial Education, LLC, manages the Rural program operations and YouthBiz Assets, LLC manages the YouthBiz program operations. All intercompany balances and transactions have been eliminated in consolidation. The Center and the LLCs are hereinafter collectively referred to as the "Center".

The goals of the Center's programs are as follows:

Young AmeriTowne

Young AmeriTowne is an educational program for ages 10-12 in which students explore basic economic concepts and then run their own life-sized town. The program incorporates a "learn by doing" approach and teaches economics, financial skills and career exploration.

Rural Programs

Rural programs are educational programs for ages 10-12 located in Wray, Colorado, in which students explore basic economic concepts and then run their own life-sized town. The program incorporates a "learn by doing" approach and teaches economics, financial skills and career exploration. Additionally, programs are offered for after school activities which include lessons and activities relating to financial literacy for the rural communities.

International Towne

This program helps 11-13 year old "world citizens" become better prepared for the financial realities of the global marketplace. International Towne illustrates the role of free enterprise in the global economy and teaches an array of international concepts including global trading, foreign currency and exchange rates.

Young Americans Center for Financial Education

Notes to Consolidated Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(a) General, Continued

Summer Programs

Week-long summer programs provide youth a stimulating combination of hands-on activities promoting a variety of financial and life skills. Topics include getting a smart start with Money Sense, learning free enterprise by running a town, traveling the world as a citizen of International Towne, and experiencing entrepreneurship from a youth perspective.

Youth Entrepreneurism

Youth Entrepreneur programs teach youth the basic skills necessary to start and run their own business. The annual awards competition and Celebration for Young Entrepreneurs dinner event also provide youth the opportunity to showcase their businesses. The Young Entrepreneurs Marketplace allows youth to sell their products or services to the public. In addition, Money Matters classes, tours and presentations reach youth of all ages with a variety of financial topics.

YouthBiz

YouthBiz offers youth programs, both in and after school, and in partnership with a broad range of community partners, that challenge youth to build entrepreneurial skills and habits. Using hands-on activities, innovative strategies and proven curriculum, students learn about the ins and outs of starting and growing a business. See note 9 also.

Other Programs

The Center provides a variety of other youth programs on financial education, credit responsibility, investing and related topics through lessons and activities, educational games and money management tip sheets suitable for educators, parents, grandparents and students.

(b) Basis of Accounting

The accompanying consolidated financial statements of the Center have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Young Americans Center for Financial Education

Notes to Consolidated Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(c) Basis of Presentation

The Center reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. The Center does not have any permanently restricted net assets at December 31, 2015 and 2014.

(d) Cash and Cash Equivalents

The Center considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

(e) Contributions and Contributions Receivable

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. If a restriction is fulfilled in the same time period in which the contribution is received, the organization reports the support as unrestricted. Otherwise, when a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Unconditional contributions receivable are recognized as revenues in the period the pledge is received. Pledges are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. Conditional contributions receivable are recognized when the conditions on which they depend are substantially met.

(f) Accounts Receivable

Accounts receivable represent amounts due resulting from program services provided to schools and individuals. The allowance for doubtful accounts is based on past experience and on analysis of current accounts receivable collectibility. Accounts deemed uncollectible are charged to the allowance in the year they are deemed uncollectible. Accounts receivable are considered to be past due based on contractual terms. Management considers all accounts receivable to be collectible as of December 31, 2015 and 2014.

Young Americans Center for Financial Education

Notes to Consolidated Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(g) Inventory

Inventories are stated at the lower of cost or market. Inventories consist of various toys and checkbooks which are utilized by students during Towne sessions.

(h) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(i) In-Kind Donations

Donated services and materials are recorded as contributions and corresponding expenses at their estimated fair values at the date of donation. Unpaid volunteers have donated a significant number of hours in assisting the Center in achieving the goals of its various service programs. The value of this contributed time is not reflected in the accompanying financial statements as it does not meet the requirements of recognition.

(j) Concentrations of Credit Risk

Financial instruments which potentially subject the Center to concentrations of credit risk consist of cash and cash equivalents, and contributions and accounts receivable. At times, a significant portion of the Center's cash exceeds the amounts insured by the FDIC or a related entity.

Concentrations of credit risk with respect to contributions receivable is limited due to the large number of contributors comprising the Center's contributor base and historical high collectability experience.

Accounts receivable arise primarily from transactions between the Center and program participants attending through their schools and are considered by management to be collectible in their entirety.

Young Americans Center for Financial Education

Notes to Consolidated Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(k) Property and Equipment

Property and equipment is recorded at cost or, if donated, at the fair market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from two to ten years. The Center capitalizes all fixed asset purchases over \$5,000 with an estimated useful life greater than one year.

(l) Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying financial statements. Accordingly, certain costs have been allocated among the appropriate programs and supporting services benefited.

(m) Advertising Expense

Advertising costs are expensed as incurred. Advertising expenses for the years ended December 31, 2015 and 2014 totaled \$64,733 and \$94,887, respectively.

(n) Income Taxes

The Center is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from activities not directly related to its tax-exempt purpose is subject to taxation as unrelated business income. During 2015 and 2014, the Center did not incur any unrelated business income tax. In addition, the Center qualifies for the charitable contribution deduction.

Management is required to evaluate tax positions taken by the Center and recognize a tax liability (or asset) if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities. Management has analyzed the tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements and determined there are none.

The Center is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Tax returns that remain subject to examination include those for the years ending from December 31, 2012 through the current date.

Young Americans Center for Financial Education

Notes to Consolidated Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(o) Subsequent Events

Management is required to evaluate, through the date the financial statements are issued or available to be issued, events or transactions that may require recognition or disclosure in the financial statements, and to disclose the date through which subsequent events were evaluated. The Center's financial statements were available to be issued on June 17, 2016, and this is the date through which subsequent events were evaluated. See note 10.

(2) Contributions Receivable

Contributions receivable consist of the following at December 31:

	<u>2015</u>	<u>2014</u>
Receivables restricted for:		
Young Ameritowne	\$ 142,000	40,100
On the Road	80,000	-
Celebration for Young Entrepreneurs	20,025	-
Future operations	11,257	5,480
YouthBiz	7,593	75,000
Summer programs	7,000	2,500
Send a School	3,750	-
Rural programs	500	-
Money Matters	-	20,000
Leadership Luncheon	-	350
	<u>\$ 272,125</u>	<u>143,430</u>
Amounts due in:		
Less than one year	\$ 152,125	143,430
One to five years	<u>120,000</u>	<u>-</u>
	<u>\$ 272,125</u>	<u>143,430</u>

All contributions are considered collectible. Contributions receivable that are due in more than one year have not been discounted because the effect is immaterial.

Young Americans Center for Financial Education

Notes to Consolidated Financial Statements, Continued

(3) Property and Equipment

Property and equipment consists of the following at December 31:

	<u>2015</u>	<u>2014</u>
Software and equipment	\$ 306,737	384,311
Leasehold improvements	149,943	149,943
Construction in progress	<u>99,841</u>	<u>-</u>
	556,521	534,254
Less: accumulated depreciation	<u>(254,745)</u>	<u>(267,218)</u>
Property and equipment, net	\$ <u>301,776</u>	<u>267,036</u>

(4) In-kind Donations

In-kind contributions for the years ended December 31, consisted of the following:

	<u>2015</u>	<u>2014</u>
Rent (see note 8)	\$ 915,174	931,715
Donated use of facilities (Wray and On the Road)	37,980	6,850
Advertising	48,564	88,513
Program supplies and materials	72,047	52,674
Toy inventory	5,000	5,000
Bus Parking space	<u>20,500</u>	<u>20,500</u>
	\$ <u>1,099,265</u>	<u>1,105,252</u>

(5) Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purpose or periods at December 31:

	<u>2015</u>	<u>2014</u>
YouthBiz	\$ 334,068	75,000
Young AmeriTowne	142,000	35,100
On the Road	80,000	5,000
Celebration for Young Entrepreneurs	30,000	-
Micro loans	25,000	-
Summer programs	7,000	2,500
Future operations	5,033	3,980
Adopt-a-School/Send-a-School	3,750	8,070
Rural AmeriTowne	500	36,500
Money Matters	-	20,000
Leadership Luncheon	<u>-</u>	<u>350</u>
	\$ <u>627,351</u>	<u>186,500</u>

Young Americans Center for Financial Education

Notes to Consolidated Financial Statements, Continued

(6) Employee Benefit Plan

The Center has a 401(k) pension plan. Employees are eligible to participate in the plan after completing three months of service and reaching age eighteen. The Center at its discretion may match the employees' contributions. The Center is not required to make a matching contribution, and the amount may vary from year to year. During 2015 and 2014, the Center matched 25% of each participant's contribution to the plan. There were no discretionary contributions in either 2015 or 2014. The Center's total contributions to the plan were \$18,031 and \$16,705 in 2015 and 2014, respectively.

(7) Operating Lease

The Center has an operating lease that expires on August 31, 2017 for space used in the YouthBiz program. In conjunction with the YouthBiz, Inc. acquisition agreement (see note 9), future minimum payments required under this lease agreement were prepaid through the end of the lease term. The balance of prepaid rent at December 31, 2015 is \$100,000 and is included in prepaid expense and other assets on the consolidated statement of financial position. The Center incurred rent expense on this lease of \$53,500 in 2015.

(8) Related Party Transactions

Young Americans Education Foundation

During 2015 and 2014, the Center obtained accounting and management services from the Young Americans Education Foundation ("YAEF") totaling \$249,485 and \$270,664, respectively. At December 31, 2015 and 2014, amounts owed to YAEF for accounting and management services total \$8,366 and \$708, respectively.

The Center leases space from YAEF in the headquarters building owned by YAEF at no charge under a lease that expires December 31, 2017. The value of the in-kind donation of rent from YAEF is estimated at \$721,213 and \$742,721 in 2015 and 2014, respectively.

The Center leases a facility located in Jefferson County owned by YAEF at no charge under a lease that expires December 31, 2017. The value of the in-kind donation of rent from YAEF for the Jefferson County facility is estimated at \$148,596 in 2015 and \$147,552 in 2014.

Additionally, YAEF provides the use of certain furniture and equipment to the Center at no charge.

Young Americans Center for Financial Education

Notes to Consolidated Financial Statements, Continued

(8) Related Party Transactions, Continued

The building that houses the Rural programs in Wray, Colorado is owned by YAEF and is rented to Rural Young Americans Center for Financial Education, LLC (Rural, LLC) at no charge. For the years ended December 31, 2015 and 2014 an in-kind donation totaling \$45,365 and \$41,442, respectively has been recorded for Rural LLC's free use of this building space. Rural, LLC subleases a portion of this building to an unaffiliated entity under a lease agreement that expires June 30, 2016. Rental income under this lease totaled \$32,104 in 2015 and \$29,095 in 2014.

Other

In the normal course of the Center's operations, transactions arise with companies whose officers and/or directors are also directors of the Center. During 2015 and 2014, these transactions included legal fees and internet costs. The aggregate amounts of these transactions were \$55,352 in 2015 and \$15,451 in 2014.

(9) YouthBiz Assets, LLC.

During November 2014, the Center formed wholly-owned subsidiary, YouthBiz Assets, LLC, for the purpose of acquiring substantially all of the operating assets and business of YouthBiz, Inc. The primary reason for the acquisition is to enable both organizations to work together to supplement and grow each other's programs. Operations of both organizations will combine and transition over a three-year period, at which point all programming will be housed under the Center. An asset purchase agreement between YouthBiz Assets, LLC and YouthBiz, Inc. was executed on February 28, 2015. Effective on this date, YouthBiz Assets, LLC acquired assets consisting of prepaid rent and other assets totaling \$165,673, and fixed assets totaling \$10,000. No liabilities were assumed by YouthBiz Assets, LLC. No consideration was transferred by the Center to acquire YouthBiz, Inc. The excess of assets acquired over the liabilities assumed is considered a contribution to the Center and totals \$175,673. Pursuant to the agreement and prior to acquisition, YouthBiz, Inc. sold certain real property and established a donor advised fund with a portion of the proceeds. YouthBiz, Inc. will recommend distributions from the donor advised fund to the Center in support of the YouthBiz program. All distributions from the donor advised fund are conditioned upon YouthBiz Assets, LLC (the Center) continuing to work to develop the youth entrepreneurship education industry in general and economically disadvantaged youth in particular, in order to help facilitate a diverse demographic of youth who identify as entrepreneurs, gain access to and leverage the resources they need through a hands-on and physical presence and maximize their entrepreneurial potential. Upon the distribution of the balance of the funds, the donor advised fund will be terminated. During the year ended December 31, 2015, the Center received distributions of \$400,000 from the donor advised fund, which are recorded as contributions in the accompanying consolidated statement of activities.

Young Americans Center for Financial Education

Notes to Consolidated Financial Statements, Continued

(10) Program Expansion into Wyoming

In August 2015, the Center entered into a letter of intent with the Boys and Girls Club of Central Wyoming for the purpose of expanding certain Center programs into Wyoming beginning in 2016. The Center will receive a non-refundable retainer to begin the expansion process and will also receive annual licensing fees and management and consulting fees. No amounts under the letter of intent have been recognized by the Center as of December 31, 2015.