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**INDIANA YOUTH GROUP, INC.**  
**(AN INDIANA NOT-FOR-PROFIT CORPORATION)**



**doing business as**  
**INDIANA YOUTH GROUP (IYG)**  
**FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
Indiana Youth Group, Inc.  
(An Indiana Not-For-Profit Corporation)

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Indiana Youth Group, Inc. (IYG), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities, cash flows and functional expenses 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.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Indiana Youth Group, Inc. 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.

A handwritten signature in black ink that reads "Sovereign CPA Services". The word "Sovereign" is written in a large, cursive script, and "CPA Services" is written in a smaller, simpler font below it.

Indianapolis, Indiana  
July 11, 2016



STATEMENTS OF FINANCIAL POSITION  
 DECEMBER 31, 2015 AND 2014

	<b>ASSETS</b>	
	<u>2015</u>	<u>2014</u>
<b>Current assets</b>		
Cash and cash equivalents	\$ 284,096	\$ 180,167
Grants receivable, net	77,961	58,303
Accounts receivable, net	10,603	6,759
Pledges receivable, net	15,755	15,779
Prepaid expenses	3,000	78
	<u>391,415</u>	<u>261,086</u>
<b>Property and equipment</b>		
Land	5,000	5,000
Building and improvements	128,281	123,393
Furnishings and equipment	27,094	22,456
	<u>160,375</u>	<u>150,849</u>
Less accumulated depreciation	<u>(91,728)</u>	<u>(84,625)</u>
	<u>68,647</u>	<u>66,224</u>
<b>Total assets</b>	<u><u>\$ 460,062</u></u>	<u><u>\$ 327,310</u></u>



STATEMENTS OF FINANCIAL POSITION (CONTINUED)  
 DECEMBER 31, 2015 AND 2014

LIABILITIES AND NET ASSETS

	<u>2015</u>	<u>2014</u>
<b>Current liabilities</b>		
Accounts payable	\$ 14,201	\$ 1,276
Accrued expenses	16,314	14,084
<b>Total current liabilities</b>	<u>30,515</u>	<u>15,360</u>
<b>Long term liabilities</b>	-	-
<b>Total liabilities</b>	<u>30,515</u>	<u>15,360</u>
<b>Net assets</b>		
Unrestricted net assets	391,942	300,782
Temporarily restricted net assets	37,605	11,168
<b>Total net assets</b>	<u>429,547</u>	<u>311,950</u>
<b>Total liabilities and net assets</b>	<u>\$ 460,062</u>	<u>\$ 327,310</u>

INDIANA YOUTH GROUP, INC.  
(AN INDIANA NOT-FOR-PROFIT CORPORATION)



STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Support and revenue</b>				
Contributions - monetary	\$ 202,779	\$ -	\$ -	\$ 202,779
Fundraising events	42,516	-	-	42,516
Grants	102,575	189,171	-	291,746
License plate fees	46,250	-	-	46,250
Interest	185	-	-	185
Merchandise sales, net	477	-	-	477
Net assets released from restrictions	162,734	(162,734)	-	-
Program service revenues	3,215	-	-	3,215
Other income	6,013	-	-	6,013
<b>Total support and revenue</b>	<b><u>566,744</u></b>	<b><u>26,437</u></b>	<b><u>-</u></b>	<b><u>593,181</u></b>
<b>Expenses</b>				
<b>Program services</b>	<b><u>374,278</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>374,278</u></b>
<b>Supporting services</b>				
Fundraising	57,997	-	-	57,997
Management and general	43,309	-	-	43,309
<b>Total supporting services</b>	<b><u>101,306</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>101,306</u></b>
<b>Total expenses</b>	<b><u>475,584</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>475,584</u></b>
<b>Change in net assets</b>	<b><u>91,160</u></b>	<b><u>26,437</u></b>	<b><u>-</u></b>	<b><u>117,597</u></b>
<b>Net assets, beginning of year</b>	<b><u>300,782</u></b>	<b><u>11,168</u></b>	<b><u>-</u></b>	<b><u>311,950</u></b>
<b>Net assets, end of year</b>	<b><u>\$ 391,942</u></b>	<b><u>\$ 37,605</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 429,547</u></b>

INDIANA YOUTH GROUP, INC.  
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STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Support and revenue</b>				
Contributions - monetary	\$ 153,668	\$ 700	\$ -	\$ 154,368
Contributions - nonmonetary	10,187	-	-	10,187
Fundraising events	54,956	-	-	54,956
Grants	82,768	134,254	-	217,022
License plate fees	42,900	-	-	42,900
Interest	131	-	-	131
Net assets released from restrictions	155,129	(155,129)	-	-
Program service revenues	3,092	-	-	3,092
Other income	3,084	-	-	3,084
<b>Total support and revenue</b>	<b><u>505,915</u></b>	<b><u>(20,175)</u></b>	<b><u>-</u></b>	<b><u>485,740</u></b>
<b>Expenses</b>				
<b>Program services</b>	<b><u>334,039</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>334,039</u></b>
<b>Supporting services</b>				
Fundraising	50,953	-	-	50,953
Management and general	41,642	-	-	41,642
<b>Total supporting services</b>	<b><u>92,595</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>92,595</u></b>
<b>Total expenses</b>	<b><u>426,634</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>426,634</u></b>
<b>Change in net assets</b>	<b><u>79,281</u></b>	<b><u>(20,175)</u></b>	<b><u>-</u></b>	<b><u>59,106</u></b>
<b>Net assets, beginning of year</b>	<b><u>221,501</u></b>	<b><u>31,343</u></b>	<b><u>-</u></b>	<b><u>252,844</u></b>
<b>Net assets, end of year</b>	<b><u>\$ 300,782</u></b>	<b><u>\$ 11,168</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 311,950</u></b>



**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<b>2015</b>	<b>2014</b>
<b>Cash flow from operating activities</b>		
Change in net assets	<b>\$ 117,597</b>	<b>\$ 59,106</b>
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	7,103	7,248
Changes in operating assets and liabilities:		
Grants receivable, net	(19,658)	31,279
Accounts receivable, net	(3,844)	(3,234)
Pledges receivable, net	24	4,194
Prepaid expenses	(2,922)	457
Accounts payable	8,287	(2,054)
Accrued expenses	2,230	4,073
<b>Total adjustments</b>	<b>(8,780)</b>	<b>41,963</b>
<b>Net cash provided by (used in) operating activities</b>	<b>108,817</b>	<b>101,069</b>
<b>Cash flow from investing activities</b>		
Purchase of property and equipment	(4,888)	(3,011)
<b>Net cash provided by (used in) investing activities</b>	<b>(4,888)</b>	<b>(3,011)</b>
<b>Net cash provided by (used in) financing activities</b>	<b>-</b>	<b>-</b>
<b>Net change in cash and cash equivalents</b>	<b>103,929</b>	<b>98,058</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>180,167</b>	<b>82,109</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 284,096</b>	<b>\$ 180,167</b>

Supplemental disclosure of non-cash information:

Cash flow from investing activities excludes purchases of property and equipment in the amount of \$4,638, which are included in accounts payable at December 31, 2015.

**INDIANA YOUTH GROUP, INC.  
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**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<b>Program services</b>	<b>Fundraising</b>	<b>Management and general</b>	<b>Total expenses</b>
Advertising	\$ 3,821	\$ 3,947	\$ -	\$ 7,768
Bank fees	9	-	286	295
Contract labor	4,582	1,252	4,946	10,780
Depreciation	7,103	-	-	7,103
Dues and subscriptions	648	-	-	648
Equipment rental and repairs	11	1,113	-	1,124
Facility rental	185	1,758	-	1,943
Insurance	4,890	-	2,576	7,466
Meals	4,938	3,834	76	8,848
Miscellaneous	1,191	-	-	1,191
Personnel - employee benefits	40,088	3,750	3,750	47,588
Personnel - payroll processing	-	-	1,695	1,695
Personnel - payroll taxes	18,595	2,657	1,671	22,923
Personnel - salaries and wages	238,376	35,366	22,338	296,080
Postage	686	826	27	1,539
Printing	4,102	1,325	44	5,471
Professional services - purchased	10,000	-	5,900	15,900
Repairs and maintenance	2,461	-	-	2,461
Supplies	13,374	2,133	-	15,507
Training, travel and conferences	7,430	36	-	7,466
Utilities and telephone	11,788	-	-	11,788
<b>Total</b>	<b>\$ 374,278</b>	<b>\$ 57,997</b>	<b>\$ 43,309</b>	<b>\$ 475,584</b>

**INDIANA YOUTH GROUP, INC.  
(AN INDIANA NOT-FOR-PROFIT CORPORATION)**



**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<b>Program services</b>	<b>Fundraising</b>	<b>Management and general</b>	<b>Total expenses</b>
Advertising	\$ 4,876	\$ 4,313	\$ 75	\$ 9,264
Bank fees	-	-	320	320
Contract labor	2,335	700	5,734	8,769
Depreciation	7,248	-	-	7,248
Dues and subscriptions	1,010	-	8	1,018
Equipment rental and repairs	95	1,282	-	1,377
Facility rental	88	1,600	-	1,688
Insurance	786	-	5,295	6,081
Meals	4,584	9,506	505	14,595
Miscellaneous	85	500	-	585
Personnel - employee benefits	37,162	3,864	3,864	44,890
Personnel - payroll processing	-	-	1,405	1,405
Personnel - payroll taxes	15,294	1,597	1,440	18,331
Personnel - salaries and wages	200,841	20,725	18,687	240,253
Postage	227	601	226	1,054
Printing	3,216	2,375	-	5,591
Professional services - contributed	10,125	-	-	10,125
Professional services - purchased	10,000	3,500	3,700	17,200
Repairs and maintenance	3,415	-	-	3,415
Supplies	8,519	386	332	9,237
Training, travel and conferences	13,390	4	51	13,445
Utilities and telephone	10,743	-	-	10,743
<b>Total</b>	<b>\$ 334,039</b>	<b>\$ 50,953</b>	<b>\$ 41,642</b>	<b>\$ 426,634</b>

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**ORGANIZATION**

Indiana Youth Group, Inc. (IYG, or, the Organization) is a not-for-profit corporation formed in 1989 in accordance with the not-for-profit statutes of the state of Indiana. The mission of IYG is to provide safe places and confidential environments where self-identified lesbian, gay, bisexual, transgender, and questioning youth are empowered through programs, support services, social and leadership opportunities and community service. IYG advocates on their behalf in schools, in the community and through family support services. A description of IYG's major program services is presented in Note 2.

IYG derives a majority of its revenues through contributions and grants. The Organization also generates revenue through conducting fundraising events and sponsoring a specialty Indiana license plate. On a limited basis, IYG derives revenue from selling merchandise and charging fees for program services such as diversity training. IYG is an exempt organization under Section 501(c)(3) of the Internal Revenue Code, and donors may deduct contributions made to the Organization pursuant to tax law.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of preparation of the financial statements**

The financial statements are presented on the accrual basis in accordance with accounting principles generally accepted in the United States of America.

The financial statements are prepared in conformity with the provisions of the Not-for-Profit Entities Presentation of Financial Statements topic of the Financial Accounting Standards Board (FASB) *Accounting Standards Codification (ASC) 958-205*. Net assets and revenues are classified based on the existence or absence of donor-imposed restrictions and are reported as follows:

**Unrestricted net assets:** Net assets that are not subject to donor-imposed stipulations.

**Temporarily restricted net assets:** Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time.

**Permanently restricted net assets:** Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization.

All assets held by IYG at December 31, 2015 and 2014 are classified as unrestricted or temporarily restricted.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Cash and cash equivalents**

For the statements of cash flows, all unrestricted investments with original maturities of three months or less are cash equivalents. At December 31, 2015 and 2014, cash and cash equivalents consist of unrestricted checking, savings, and money market accounts.

**Receivables and doubtful accounts**

IYG records receivables at the expected net realizable value when it receives unconditional promises to give from donors or grantors that are expected to be collected within one year. Any multi-year pledges and grants receivable are recorded at the present value of estimated future cash flows. The Organization does not typically make credit sales which result in trade accounts receivable. The balance of accounts receivable – other in the statement of financial position consists primarily of amounts due from specialty license plate registrations and refundable tax credits. An allowance for doubtful accounts on the Organization's receivables is determined based on management's experience and collection efforts. As of December 31, 2015 and 2014, the allowance for doubtful accounts was \$-0-. For the years ended December 31, 2015 and 2014, no bad debt losses were charged to operations.

**Property and equipment**

Property and equipment are recorded at original cost, if purchased, and estimated fair value, if donated. Acquisitions or improvements that exceed \$500 are capitalized. Costs incurred for maintenance and repairs are charged to operating expenses. Property and equipment are depreciated using the straight-line method over the estimated useful life of the asset, which ranges from 5 - 39 years. Deductions are made for retirements or disposals.

The Organization is subject to the provisions of the Impairment or Disposal of Long-Lived Assets topic of the FASB *Accounting Standards Codification* (ASC) 360-10-35. The standard requires impairment losses to be recorded on long-lived assets when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets (excluding interest) are less than the carrying amount of the assets. In such cases, the carrying value of assets to be held and used are adjusted to their estimated fair value and assets held for sale are adjusted to their estimated fair value less selling expenses. No impairment losses were recognized during the years ended December 31, 2015 and 2014.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Donated assets**

Donations of property and equipment and other assets are recorded as revenue at their estimated fair value at the date of donation. Such donations are reported as unrestricted revenue unless the donor has restricted the donated asset to a specific purpose. Assets with explicit restrictions regarding their use and contributions of cash that must be used for specific purposes are reported as restricted revenue.

Absent donor stipulations regarding how long these donated assets must be maintained, IYG reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. At December 31, 2015 and 2014, restricted donated assets consist of monetary contributions and grants receivable which are designated for specific purposes further described in Note 5.

**Revenue recognition**

Revenues generated from exchange transactions are recognized when they are both realized and earned. Contributions, including unconditional promises to give, are reported as revenues in the period they are received. Contributions held by in trust by a recipient entity for IYG are recognized as unconditional promises to give in accordance with FASB ASC 958-605-25-30. Support funded by non-reimbursable grants is recognized when the grant is awarded, while support from reimbursable grants is recognized when amounts become due under the terms of the respective grant agreements.

In accordance with FASB ASC 958-605-25-16, contributed services are recognized as revenue if they (1) create or enhance nonfinancial assets, or (2) require specialized skills and would need to be purchased if not provided by donation.

**Advertising costs**

Advertising costs are expensed as incurred.

**Concentration of credit risk**

The Organization maintains cash accounts in financial institutions. At times, balances may exceed the Federal Deposit Insurance Corporation's insurance limit of \$250,000. To mitigate exposure to the risk of credit losses, management regularly monitors the balances of its accounts and the financial strength of those institutions.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Concentration of credit risk (continued)**

IYG has not experienced any losses in such accounts. For the years ended December 31, 2015 and 2014, no cash balances exceeded federally insured limits.

As of December 31, 2015, a balance of \$66,701, or approximately 64% of total receivables, was due from two donors. For each of the years ended December 31, 2015 and 2014, there was one organization which provided more than 25% of IYG's total support and revenue.

**Use of estimates in the preparation of financial statements**

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

**Fair value**

The Fair Value Measurement topic of the FASB *Accounting Standards Codification* (ASC) 820 provides guidance for assets and liabilities which are required to be measured at fair value, and requires expanded disclosure for fair value measurement. The standard applies whenever other standards require or permit assets or liabilities to be measured at fair value and does not require any new fair value measurements. The Fair Value Measurement topic did not have a material impact on the Organization's financial statements for the years ended December 31, 2015 and 2014.

**Allocation of functional expenses**

The costs of conducting the various IYG programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Certain costs have been allocated among the programs and supporting services which benefited from those costs.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Accounting for uncertainty in income taxes**

IYG is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, and from state income tax under a similar statute of the state of Indiana. Uncertain tax positions are evaluated using a more-likely-than-not recognition standard. The Organization has no unrelated business taxable income for the years ended December 31, 2015 and 2014. No penalties, interest, or provisions for federal and state income taxes have been recognized in the accompanying financial statements. At December 31, 2015, the Organization's tax returns for tax years 2012 through 2014 were open for examination.

**Subsequent events**

Management of IYG has evaluated events and transactions through July 11, 2016, the date the financial statements were available to be issued, for any significant subsequent events to be included or disclosed in the accompanying financial statements.

**Reclassification**

Certain prior year amounts have been reclassified to conform to the current year financial statement presentation. These reclassifications had no effect on the reported changes in net assets of the Organization.

**NOTE 2 - DESCRIPTION OF MAJOR PROGRAM SERVICES**

IYG conducts a variety of youth-oriented programs at its Activity Center, and also coordinates several programs at other community locations. Major program services provided or sponsored by the Organization include the following:

**Youth Activity Center:** IYG provides a safe location where youth have the opportunity to interact, socialize and learn under the direction or supervision of trained staff. A majority of IYG programs take place at the Activity Center. Computers, computer games, board games and food are provided.

**Support Groups:** IYG organizes groups designed to help youth deal with issues like coming out, dating, self-discovery and to educate youth on matters such as a tobacco-free lifestyle.





**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 2 - DESCRIPTION OF MAJOR PROGRAM SERVICES (CONTINUED)**

**Youth Programming:** IYG coordinates programs such as the youth council, Gay Straight Alliance (GSA) Leadership Summit, creative arts projects, LGBTQ youth summit, preparation for scholarship applications, and GSA's capacity building. Some programs are geared towards leadership and socializing, while other programs address prevention of problems relating to mental health and addiction.

**Annual Social Events:** IYG hosts several social events during the year.

**Community Service Projects:** IYG staff and youth participants perform a variety of community service projects each year.

**Capacity Building:** IYG provides training for student and adult leaders of high school Gay Straight Alliances and support for additional safe places.

**Education and Training:** IYG provides schools, social service agencies, community groups and others with education about LGBTQ youth and the issues relevant to them.

**NOTE 3 - CONCENTRATION OF MAJOR CONTRIBUTORS**

During the years ended December 31, 2015 and 2014, IYG received a significant portion of its total support and revenue through grants from major contributors, as follows:

	<b>2015</b>	<b>2014</b>
Department of Child Services	\$ 43,932	\$ 27,759
Family & Social Services Administration	187,640	134,254
United Way of Central Indiana	45,393	43,237
Total from major contributors	276,965	205,250
Total support and revenue	\$ 593,181	\$ 485,740
Percent received from major contributors	46.7 %	42.3 %

**NOTE 4 - CONTRIBUTED SERVICES**

During the year ended December 31, 2014, various attorneys provided legal services on a pro-bono basis to represent the Organization in an action relating to the reinstatement and renewal of the IYG specialty license plate, which was temporarily suspended during 2012 and 2013.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 4 - CONTRIBUTED SERVICES (CONTINUED)**

Legal services contributed to the Organization totaled approximately 28 hours for 2014, with an estimated billing value of \$11,506. These amounts are reported as contributed services under unrestricted revenues in the statements of activities, and as professional services - contributed under program expenses in the statements of functional expenses.

For the years ended December 31, 2015 and 2014, IYG recorded a total of 3,787 and 2,617 hours, respectively, for time contributed by volunteers to IYG and its programs or fundraising campaigns. These volunteer services did not meet the criteria for recognition as revenue described in Note 1.

**NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS**

The Organization frequently receives contributions and grants designated for specific purposes. Temporarily restricted net assets are released from donor restrictions when expenses are incurred that satisfy the donor-stipulated purpose, or through the occurrence of donor-specified events. Below is a summary of activity in the restricted funds of IYG.

**Daun Fund**

In 2012 and prior years, IYG received contributions from a family which were designated to fund media projects in memoriam of a relative of the donor. For the years ended December 31, 2015 and 2014, there was no activity in this restricted fund. At December 31, 2015, the restricted balance remained \$3,605.

**Family and Social Services - Mental Health & Addiction (MHA) Fund**

In 2013, IYG was awarded a government grant from the Indiana Family and Social Services Administration. The purpose of the grant, which totaled \$128,850 and covered the period September 1, 2013 to June 30, 2014, was to fund training, case management, suicide prevention, and substance abuse prevention programs.

During 2014, the grant was renewed for the period July 1, 2014 through June 30, 2015 with a total award amount of \$128,850. During 2015, the FSSA awarded two grants to IYG in the aggregate amount of \$253,000. One FSSA grant is effective from July 1, 2015 through June 30, 2016, and one covers the dates of August 1, 2015 through July 31, 2016. Grant proceeds are payable upon completion of specific accomplishments and submission of reports, as specified in the grant agreement.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS (CONTINUED)

Family and Social Services - MHA Fund (continued)

Activity in this restricted fund for the years ended December 31, 2015 and 2014 is as follows:

	2015	2014
Beginning balance	\$ 5,333	\$ 25,508
Grant proceeds drawn	187,640	134,254
Grantor restrictions satisfied	( 158,973 )	( 154,429 )
Ending balance	\$ 34,000	\$ 5,333

Robert Shaw Fund

In 2012, IYG received contributions from an individual which were designated to fund youth leadership initiatives. There was no activity in this restricted fund during 2014. In March 2015, the donors notified management that IYG was free to use the remaining fund balance of \$2,230 towards general programming and operations, and the net assets were released from restrictions.

In addition to the three restricted funds described above, IYG received the following designated grants and contributions which were used for specific donor-intended purposes, and thus released from restrictions, during the years ended December 31, 2015 and 2014:

	2015	2014
Individual restricted contributions	\$ -	\$ 700
Health Care Education & Training	1,531	-
Total - other temporarily restricted support released from restrictions	\$ 1,531	\$ 700

In total, temporarily restricted net assets at December 31, 2015 and 2014 consist of the following:

	2015	2014
Daun Fund	\$ 3,605	\$ 3,605
Family & Social Services – MHA Fund	34,000	5,333
Robert Shaw Fund	-	2,230
Temporarily restricted net assets	\$ 37,605	\$ 11,168

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 6 - RELATED PARTY TRANSACTIONS**

Members of the Board of Directors regularly make contributions to IYG. Individual amounts contributed by directors totaled \$16,045 and \$6,435, respectively, for the years ended December 31, 2015 and 2014. In addition, during 2015 and 2014, IYG received corporate grants, sponsorships and contributions totaling \$10,000 and \$12,500, respectively, from organizations represented by individual members of the Board of Directors. No amounts were payable to or receivable from related parties as of December 31, 2015 and 2014.

**NOTE 7 - LINE OF CREDIT**

As of and during the years ended December 31, 2015 and 2014, IYG had a revolving line of credit with PNC Bank for short-term borrowings. The borrowing limit at December 31, 2015 was \$70,000, and advances bear interest at an index equal to PNC Bank's prime rate (3.5% at December 31, 2015), plus a margin of 2%. The line of credit expires September 24, 2016, and may be renewed upon payment of a \$175 annual fee. No amounts were drawn or remained payable during 2015 or 2014.

During the year ended December 31, 2015, IYG opened a line of credit with a limit of \$25,000 through an unsecured credit card account. Balances outstanding past the next monthly payment due date accrue finance charges at a variable interest rate which at December 31, 2015 was equal to 19.24%. It is the practice of IYG to pay off the outstanding balance in full each month, such that finance charges are not incurred. At December 31, 2014, an outstanding balance of \$4,495 was included in accounts payable in the statement of financial position. No interest was paid or accrued during 2015.

**NOTE 8 - COMMITMENT TO PURCHASE REAL ESTATE**

In 2015, management and the Board of Directors convened a committee of community members and non-profit professionals to explore options for a new IYG Activity Center facility. Because of the Organization's rapid growth, the current facility is approaching capacity, and management believes IYG's constituents would be better served with a larger and more accessible Activity Center that is centrally located on a public transportation route.

Based on a feasibility study conducted in the spring of 2016, management believes a phased capital campaign of approximately \$2 million to \$2.5 million is necessary for the acquisition, renovation and operation of a new facility, and the associated costs of expanding program services. The consultants who conducted the feasibility study found it likely that IYG has or can develop the support base to raise the necessary capital.

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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

**NOTE 8 - COMMITMENT TO PURCHASE REAL ESTATE (CONTINUED)**

Effective May 9, 2016, the Organization executed a contract of sale to purchase a 15,700 square foot office building on a 1-acre lot at a central Indianapolis location, for a gross purchase price of \$400,000. In connection with the purchase contract, IYG paid an earnest money deposit of \$10,000 which is held with an escrow agent. The contract permits a 120-day inspection and due diligence period, and provides the seller up to 90 days to correct any deficiencies upon notice from IYG during the inspection period.

ITYG may extend the inspection period by 60 days upon payment of an additional \$10,000 earnest money deposit. During the inspection period, IYG may terminate the purchase contract by serving notice to the seller and receive a refund of all earnest money deposited with the escrow agent. Upon expiration of the inspection period, the earnest money becomes non-refundable. Closing must occur no later than 30 days following waiver of due diligence objections by IYG.

As of July 11, 2016, the Organization is conducting due diligence relating to the purchase contract and is preparing to roll out the first phase of the capital campaign to acquire and renovate the building. Management expects to conclude the purchase in the third or fourth quarter of 2016, according to the terms of the contract, and to begin renovations upon acquisition of the building. The accompanying financial statements do not include any adjustments that might result from the outcome of any uncertainties relating to the purchase commitment and the associated capital campaign.