

Reviewed Financial Statements



September 30, 2015

Quigley & Miron

Youth Science Institute
Reviewed Financial Statements
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Independent Accountant's Review Report

Board of Directors
Youth Science Institute
Los Gatos, California

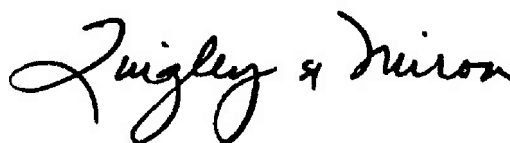
We have reviewed the accompanying statement of financial position of Youth Science Institute, a nonprofit corporation, as of September 30, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

The financial statements of Youth Science Institute for the year ended September 30, 2014 were reviewed by another accounting firm on January 23, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2014 is consistent, in all material respects, with the reviewed financial statements from which it has been derived.



Campbell, California
April 11, 2016

Youth Science Institute
Statement of Financial Position
September 30, 2015
(with comparative totals for 2014)

	2015	2014
Assets		
Cash	\$ 344,310	\$ 261,167
Investments—Note 3	112,706	164,956
Accounts receivable	1,575	6,635
Pledges receivable	640	880
Prepaid expenses	9,330	2,486
Total Current Assets	468,561	436,124
Property and equipment, net—Note 5	1,001,249	1,050,889
Collections—Note 2		
Total Assets	\$ 1,469,810	\$ 1,487,013
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 14,295	\$ 14,179
Accrued liabilities—Note 6	19,391	22,084
Deferred revenue	22,958	19,704
Total Current Liabilities	56,644	55,967
Net Assets		
Unrestricted	1,106,580	1,195,503
Temporarily restricted—Note 7	293,546	222,503
Permanently restricted—Note 9	13,040	13,040
Total Net Assets	1,413,166	1,431,046
Total Liabilities and Net Assets	\$ 1,469,810	\$ 1,487,013

See independent accountant's review report and notes to the financial statements.

Youth Science Institute
Statement of Activities
Year Ended September 30, 2015
(with comparative totals for 2014)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2015 Total	2014 Total
Support and Revenues					
Program fees	\$ 436,261	\$	\$	\$ 436,261	\$ 419,400
Grants and contributions	245,983	406,706		652,689	459,269
Contributions in-kind					
—Note 10	227,111			227,111	229,368
Government grants and contracts	50,000			50,000	62,500
Special events, net					31,228
Admissions	3,995			3,995	3,489
Other income	1,885			1,885	3,746
Interest and dividends	755	401		1,156	969
Net realized and unrealized change in investments	(6)	(2,244)		(2,250)	1,502
Total Support and Revenue Before Reclassifications	965,984	404,863		1,370,847	1,211,471
Reclassifications					
Net assets released from restrictions					
—Note 8	333,820	(333,820)			
Total Support and Revenue After Reclassifications	1,299,804	71,043		1,370,847	1,211,471
Expenses					
Program services	881,161			881,161	883,122
Management and general	351,311			351,311	415,877
Fundraising	156,255			156,255	78,772
Total Expenses	1,388,727			1,388,727	1,377,771
Change in Net Assets	(88,923)	71,043		(17,880)	(166,300)
Net Assets at					
Beginning of Year	1,195,503	222,503	13,040	1,431,046	1,597,346
Net Assets at					
End of Year	\$ 1,106,580	\$ 293,546	\$ 13,040	\$ 1,413,166	\$ 1,431,046

See independent accountant's review report and notes to the financial statements.

Youth Science Institute
Statement of Functional Expenses
Year Ended September 30, 2015
(with comparative totals for 2014)

	Program Services	Supporting Services		2015 Total	2014 Total
		General and Administrative	Fundraising		
Salaries	\$ 400,186	\$ 148,653	\$ 55,653	\$ 604,492	584,407
Employee benefits	60,665	4,584		65,249	71,084
Payroll taxes	37,223	13,586	5,270	56,079	55,028
Total Payroll, Taxes, and Benefits	498,074	166,823	60,923	725,820	710,519
Professional services	1,323	150,801	92,381	244,505	246,409
Rent	206,040	1,680	630	208,350	208,350
Depreciation	48,559		1,081	49,640	55,189
Advertising	20,922	3,308	30	24,260	18,059
Outside services	19,275	4,942	38	24,255	16,319
Utilities	16,821	288	108	17,217	19,396
Insurance		15,197		15,197	13,950
Computer, internet and telephone	14,048	454	164	14,666	15,669
Bank fees and payroll processing	12,025	1,985	355	14,365	13,708
Repairs, maintenance and small equipment	10,820	477	122	11,419	14,032
Supplies	9,047	1,491	187	10,725	13,462
Travel	7,437	1,321	16	8,774	6,664
Animal care	8,464			8,464	11,098
Printing	6,223	163	61	6,447	4,583
Development and recognition	198	2,315		2,513	5,750
Event expenses	778			778	587
Site improvements	731			731	3,407
Postage and shipping	365	66	159	590	620
Miscellaneous	11			11	
Total Expenses	\$ 881,161	\$ 351,311	\$ 156,255	\$ 1,388,727	\$ 1,377,771

See independent accountant's review report and notes to the financial statements.

Youth Science Institute
Statement of Cash Flows
Year Ended September 30, 2015
(with comparative totals for 2014)

	<u>2015</u>	<u>2014</u>
Cash Flows from Operating Activities		
Change in net assets	\$ (17,880)	\$ (166,300)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	49,640	55,189
Net realized and unrealized change in investments	2,250	(1,502)
Changes in operating assets and liabilities:		
Accounts receivable	5,060	3,533
Pledges receivable	240	2,640
Prepaid expenses	(6,844)	14,263
Accounts payable	116	2,273
Accrued liabilities	(2,693)	(9,774)
Deferred revenue	3,254	(37,682)
Cash Provided by (Used in) Operating Activities	<u>33,143</u>	<u>(137,360)</u>
Cash Flows from Investing Activities		
Proceeds from sale of investments	50,000	50,000
Purchases of investments		(185,847)
Cash Provided by (Used in) Investing Activities	<u>50,000</u>	<u>(135,847)</u>
Net Increase (Decrease) in Cash	<u>83,143</u>	<u>(273,207)</u>
Cash and Cash Equivalents at Beginning of Year	<u>261,167</u>	<u>534,374</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 344,310</u></u>	<u><u>\$ 261,167</u></u>
Supplementary Disclosures		
Income taxes paid	<u>\$</u>	<u>\$</u>
Interest paid	<u>\$</u>	<u>\$</u>

See independent accountant's review report and notes to the financial statements.

Youth Science Institute
Notes to Financial Statements
September 30, 2015
(with comparative totals for 2014)

Note 1—Organization

Organization—The mission of Youth Science Institute (YSI) is to “inspire enthusiasm for science and a love of learning” in people of all ages. YSI’s core programs are School and Group Programs, Summer Science Camps, and Science Safaris, teaching hands-on, nature-based science to nearly 30,000 individuals per year. The vast majority of the individuals YSI teaches are schoolchildren (K-8) who are introduced to YSI through its School and Group Programs. YSI is committed to ensuring these programs are available to low-income, academically at-risk, and underserved populations.

Early childhood science education is important, but most public schools face obstacles to include it in their curriculum. Many public school teachers do not have the time, science background, instructional materials, or facilities to teach science, yet studies show that early exposure of children to STEM (Science, Technology, Engineering, and Math) subjects is critical to sparking a life-long interest in STEM. The need to enhance science education through out-of-school providers like YSI is underscored by a study of Bay Area elementary schools revealing 80% of K-5 teachers spend 60 minutes or less per week on science, and 16% spend no time at all on science. Without supplemental science education from out-of-school providers like YSI, many Silicon Valley students would not have a complete grade-level science curriculum.

YSI maintains three Science and Nature Centers delivering hands-on, nature-based science programs: Alum Rock Park, San Jose; Sanborn County Park, Saratoga; and Vasona Lake County Park, Los Gatos. Each Science and Nature Center has specialized and unique artifacts, collections, and resources that connect children with nature while teaching science. If teachers cannot bring their students to YSI, YSI brings their programs to them. YSI’s inquiry-based, life, physical, earth, and social science programs enrich traditional school-based curricula by providing authentic engagement. For example, rather than learning about the Ohlone Indians by reading about them in a book, the YSI program immerses children in the Ohlone Indians’ way of life, culture, customs, history, and the environment in which they lived.

YSI’s experiential, hands-on, park-based programs spark interest and engagement in a way that no other learning opportunity can: half of its programs feature a nature walk and/or a hands-on encounter with its collection of live animals. For example, in YSI’s Animals and Their Adaptations program, children get a unique hands-on experience with live animals – from toads, newts, snakes, and turtles, to bearded dragons and chinchillas.

YSI believes, as Margaret Mead said, “Children must be taught how to think, not what to think.” As such, YSI encourages children to be active participants in their own learning. The hands-on nature of YSI programs helps children see that science is fun and exciting, and has real world applications. When children see the relevance of science, learning becomes more meaningful and memorable. YSI’s goals are to encourage the development of 21st century skills such as critical thinking, problem solving, creativity, communication, and teamwork that are necessary for academic and, ultimately, economic success.

Youth Science Institute

Notes To Financial Statements—Continued

Note 1—Organization—Continued

Finally, whether delivered indoors or outdoors, YSI programs help to connect children with the wonders of nature through the principles of the scientific process. Children learn cause and effect, and that each decision has an impact. YSI nature-based programs help children understand John Muir's wisdom: "When we tug at a single thing in nature, we find it is attached to the rest of the world." This understanding helps children develop skills for making good stewardship choices for local environments and the planet.

During the fiscal year ended September 30, 2015, YSI delivered 1,082 hands-on School and Group Programs to 28,502 K-8 students, 33% of whom were from low-income, Title I-eligible schools (based on the percent of students eligible for free and reduced-price meals). Of the programs offered during the year, 169 were provided for free to low-income, Title I-eligible schools - a 58% increase over last year. YSI filled 724 seats in its Summer Science Camps (representing 570 individual children), and 22 low-income children attended for free. YSI's Summer Science Camps received The Mercury News 2015 Readers' Choice Award for Best Summer Camp in Silicon Valley. YSI also served 191 individuals through its Science Safaris.

Note 2—Summary of Significant Accounting Policies

Financial Statement Presentation—The financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The net assets of YSI and changes therein are classified and reported as follows:

Unrestricted net assets—Net assets that are not subject to donor-imposed stipulations and that may be expendable for any purpose in performing the primary objectives of YSI.

Temporarily restricted net assets—Net assets subject to donor-imposed stipulations that may or will be met either by actions of YSI and/or the passage of time. As the restrictions are satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying financial statements as net assets released from restrictions.

Permanently restricted net assets—Net assets for which the donor has stipulated that the principal be maintained into perpetuity. Generally, the donors of these assets permit YSI to use all or part of the income earned on related investments for general or specific purposes. It is the policy of YSI to record restricted support as unrestricted support when the donor-restrictions have been satisfied within the reporting period.

Income Taxes—YSI is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (Code) and from California franchise tax under Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for federal or state income taxes is included in the financial statements. Accounting standards require an organization to evaluate its tax positions and provide for a liability for any positions that would not be considered 'more likely than not' to be upheld under a tax authority examination. Management has evaluated its tax positions and has concluded that a provision for a tax liability is not necessary at September 30, 2015 and 2014. Generally, the YSI's information returns remain open for examination for a period of three years (federal) or four years (state of California) from the date of filing.

Youth Science Institute
Notes To Financial Statements—Continued

Note 2—Summary of Significant Accounting Policies—Continued

Cash and Cash Equivalents—The YSI considers highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Furniture and Equipment—Depreciable assets are recorded at historical cost or fair market value at date of donation and are depreciated using the straight line method over their useful lives, ranging from three to seven years. It is YSI's policy to expense items under \$500.

Collections—The YSI has a collection of animal skins and mounts, bird mounts, rocks and other geographical artifacts, Native American artifacts, and other nature-based teaching materials of value, that have been donated or purchased by the YSI since 1953. A portion of the overall collection is on display at the YSI's three Science and Nature Centers. A significant portion is in storage due to lack of display space. The YSI does not currently have a staff curator; care and inventory of the collection is taken care of by staff on an as-needed basis. Contributions or purchases of items for the collection are not reflected in the accompanying statements of financial position since the YSI does not capitalize collections.

Deferred Revenue—Deferred revenue consists primarily of funds received for program fees in advance of an upcoming event. The YSI records these transactions as deferred revenue until the event occurs.

Concentrations of Credit Risk—The YSI maintains cash balances with various high quality financial institutions, where accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times, such cash and cash equivalent balances are in excess of the FDIC insurance limits. Management regularly reviews the financial stability of its cash and money market fund depositories and deems the risk of loss due to these concentrations to be minimal.

Contributions—Contributions are reported as support revenue in the period received and as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expiration of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions in the accompanying statement of activities.

Government Grants—Revenues from government grants are reported as increases in unrestricted net assets as allowable expenditures under such agreements are incurred. The amounts expended in excess of reimbursements are reported as grants receivable.

Functional Expenses—YSI allocates its expenses on a functional basis among its programs and support services. Expenses that can be identified with a specific program or support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated using various appropriate methods.

Advertising—YSI's policy is to expense advertising costs as they are incurred. Advertising expenses for the years ended September 30, 2015 and 2014 were \$24,260 and \$18,059, respectively.

Youth Science Institute
Notes To Financial Statements—Continued

Note 2—Summary of Significant Accounting Policies—Continued

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

Comparative totals for 2014—The accompanying financial statements include certain prior-year summarized comparative financial information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the YSI's reviewed financial statements for the year ended September 30, 2014, from which the summarized information was derived.

Note 3—Investments

Investments consist of the following as of September 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Certificates of deposit	\$ 99,974	\$ 149,986
Equity securities	7,908	9,612
Mutual funds	4,824	5,358
Totals	<u>\$ 112,706</u>	<u>\$ 164,956</u>

Investments are classified as follows as of September 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Unrestricted investments	\$ 88,654	\$ 139,061
Temporarily restricted investments	11,012	12,855
Permanently restricted investments	13,040	13,040
Totals	<u>\$ 112,706</u>	<u>\$ 164,956</u>

Net investment income is comprised of the following for the years ended September 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Interest and dividends	\$ 1,156	\$ 969
Net realized and unrealized change in investments	(2,250)	1,502
Net	<u>\$ (1,094)</u>	<u>\$ 2,471</u>

Youth Science Institute
Notes To Financial Statements—Continued

Note 4—Fair Value

Accounting standards have established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets that the entity has the ability to access at the measurement date. YSI's Level 1 assets consist of common stock and mutual funds.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the assets, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other observable inputs that can be corroborated by observable market data. YSI's Level 2 assets consist of FDIC-insured certificates of deposit.

Level 3 inputs are unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the asset or liability. YSI had no Level 3 assets or liabilities at September 30, 2015 and 2014.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety. Fair values of assets and liabilities measured on a recurring basis at September 30, 2015 and 2014 consist of investments with a fair value of \$112,706 and \$164,956, respectively, which are considered Level 1 assets.

Note 5—Property and Equipment, Net

Property and equipment, net at September 30, 2015 and 2014 consists of the following:

	<u>2015</u>	<u>2014</u>
Leasehold improvements	\$ 1,602,309	\$ 1,602,309
Furniture and fixtures	236,137	236,137
Equipment and machinery	64,457	64,457
	<u>1,902,903</u>	<u>1,902,903</u>
Less accumulated depreciation	(901,654)	(852,014)
Net	<u>\$ 1,001,249</u>	<u>\$ 1,050,889</u>

Total depreciation expense recorded for the years ended September 30, 2015 and 2014 was \$49,640 and \$55,189, respectively.

Youth Science Institute
Notes To Financial Statements—Continued

Note 6—Accrued Liabilities

Accrued liabilities at September 30, 2015 and 2014 consist of the following:

	<u>2015</u>	<u>2014</u>
Accrued vacation	13,892	\$ 14,220
Accrued payroll	5,499	7,864
Totals	<u>\$ 19,391</u>	<u>\$ 22,084</u>

Note 7—Temporarily Restricted Net Assets

Temporarily restricted net assets at September 30, 2015 and 2014 consist of the following:

	<u>2015</u>	<u>2014</u>
Future period general support	\$ 150,000	\$ 55,295
School programs	113,814	58,955
Endowment accumulated earnings—unappropriated	11,012	12,855
Organizational development	10,000	14,000
Events	7,339	3,339
Wildlife Festival	1,000	
Summer science camp	381	8,333
Fundraising		69,726
Totals	<u>\$ 293,546</u>	<u>\$ 222,503</u>

Note 8—Net Assets Released From Restrictions

During the years ended September 30, 2015 and 2014, net assets were released from restrictions by incurring expenses satisfying the restricted purpose or by the expiration of time as follows:

	<u>2015</u>	<u>2014</u>
School programs	\$ 156,607	\$ 230,211
Fundraising	74,725	5,775
Future period general support	55,295	
Organizational development	24,000	
Summer science camp	18,238	26,028
Fiscal year operating support	2,862	195,699
Employee recognition	1,743	6,120
Small equipment	350	
Care and feeding of animals		11,250
Sanborn and Vasona general program support		62,500
Events		5,602
Totals	<u>\$ 333,820</u>	<u>\$ 543,185</u>

Youth Science Institute
Notes To Financial Statements—Continued

Note 9—Permanently Restricted Net Assets

The YSI's endowment consists of funds established for a variety of purposes. As required by U.S. generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the YSI has interpreted the California version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the YSI classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the YSI in a manner consistent with the standard of prudence prescribed by the California version of UPMIFA.

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

- 1) The duration and preservation of the fund
- 2) The purposes of the YSI and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of the YSI
- 7) The investment policies of the YSI

Funds With Deficiencies—From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the permanently restricted net assets balance. In accordance with U.S. generally accepted accounting principles, deficiencies of this nature are required to be reported in unrestricted net assets. There were no such deficiencies as of September 30, 2015 and 2014.

Return Objectives, Risk Parameters and Strategies—The YSI's investment objectives are the preservation and protection of the YSI's assets, as well as the maintenance of liquid reserves to meet obligations arising from unanticipated activities, by earning an appropriate return on investments. Endowment assets include those assets of donor-restricted funds that the YSI must hold in perpetuity.

Allowable investments of the YSI shall be made exclusively with the following securities:

- 1) Federally-insured certificates of deposit at commercial banks or savings & loan institutions; not to exceed current FDIC limits;
- 2) U.S. Treasury securities and securities of Federal agencies and instrumentalities;
- 3) Repurchase agreements with financial institutions, collateralized by U.S. Treasury or Federal agency securities;
- 4) Money market funds that invest in securities approved under these guidelines.

Youth Science Institute
Notes To Financial Statements—Continued

Note 9—Permanently Restricted Net Assets—Continued

In addition to the above instruments, the endowment fund may invest in investment grade corporate bonds. The endowment fund may also invest in common stocks or mutual funds up to 50% of the total endowment fund as deemed appropriate by the Finance Committee and the investment counselors.

Spending Policy and How the Investment Objectives Relate to Spending Policy—The YSI has a policy of appropriating for distribution each year an amount not to exceed 5% of its endowment fund's average fair value over the prior 12 quarters through the calendar year-end proceeding the fiscal year in which the distribution is planned. In establishing this policy, the YSI considered the long-term expected return on its endowment. This is consistent with the YSI's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Changes in endowment net assets consist of:

	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets at September 30, 2013	\$ 10,953	\$ 13,040	\$ 23,993
Interest and dividends	387		387
Net realized and unrealized change in investments	1,515		1,515
Endowment Net Assets at September 30, 2014	12,855	13,040	25,895
Interest and dividends	401		401
Net realized and unrealized change in investments	(2,244)		(2,244)
Endowment Net Assets at September 30, 2015	<u>\$ 11,012</u>	<u>\$ 13,040</u>	<u>\$ 24,052</u>

Youth Science Institute
Notes To Financial Statements—Continued

Note 10—Contributions In-Kind

The estimated fair value of donated rent, utilities, materials and expert services received are recorded as contributions in-kind. Contributions in-kind received by the YSI for the years ended September 30, 2015 and 2014 consist of the following:

	<u>2015</u>	<u>2014</u>
Rent	\$ 208,350	\$ 208,350
Utilities	7,050	7,050
Professional services	3,686	6,469
Supplies	2,317	649
Printing	1,630	
Travel	1,268	1,270
Outside services	950	750
Meals/entertainment	927	2,638
Animal care	874	1,759
Postage and shipping	59	40
Event food		393
Totals	<u><u>\$ 227,111</u></u>	<u><u>\$ 229,368</u></u>

Note 11—Contingencies

Grants and contracts awarded to the YSI are subject to the funding agencies' criteria, contract terms, and regulations under which expenditures may be charged and are subject to audit under such terms, regulations, and criteria. Occasionally, such audits may determine that certain costs incurred in connection with the grants do not comply with the established criteria that govern them. In such cases, the YSI could be held responsible for repayments to the funding agency for the costs or be subject to a reduction of future funding in the amount of the costs. Management does not anticipate any material questioned costs for the contracts and grants administered during the period. The YSI would be responsible for the absorption of any over-expenditure of its restricted grants which cannot be covered by additional grant funds or contributions from other sources.

Note 12—Operating Leases

The YSI leases office equipment under a non-cancellable lease expiring in May 2017. Future minimum lease payments under this lease are as follows:

<u>Year Ending September 30,</u>	
2016	\$ 370
2017	277
Total	<u><u>\$ 647</u></u>

Youth Science Institute**Notes To Financial Statements—*Continued*****Note 13—Related Party Transactions**

During the years ended September 30, 2015 and 2014, the YSI received contributed support of \$200,000 and \$125,000, respectively, from a charitable fund controlled by an officer of the YSI. The funds were intended to help bridge the gap between revenue and expense while the organization works to strengthen and expand its fundraising capacity.

Note 14—Subsequent Events

Management evaluated all activities of Youth Science Institute through April 11, 2016, which is the date the financial statements were available to be issued, and concluded that no other material subsequent events have occurred that would require adjustment to the financial statements or disclosure in the notes to the financial statements.