

**FOREVER YOUNG FOUNDATION, INC.**

**Financial Statements  
and  
Report of Independent Certified Public Accountants**

**December 31, 2015 and 2014**

# Hansen, Bradshaw, Malmrose & Erickson

A Professional Corporation

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Forever Young Foundation, Inc.

We have audited the accompanying statements of financial position of Forever Young Foundation, Inc. as of December 31, 2015 and 2014, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditors' 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 auditors' 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 Forever Young Foundation, Inc. as of December 31, 2015 and 2014, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Hausa, Brookshaw, Malron & Erickson, P.C.*

November 17, 2016

**FOREVER YOUNG FOUNDATION, INC.**

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**FOREVER YOUNG FOUNDATION, INC.**  
**Statements of Financial Position**  
**December 31, 2015 and 2014**

	2015	2014
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 1,622,287	\$ 1,777,218
Marketable securities (notes 1,5)	372,998	192,470
Receivables	40,172	137,754
	2,035,457	2,107,442
Total current assets		
Furniture and equipment, net of accumulated depreciation of \$14,582 and \$14,582 , respectively	-	-
Note receivable (note 4)	1,400,000	1,400,000
Other assets	150,000	150,000
	\$ 3,585,457	\$ 3,657,442
Total assets		
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 137,262	\$ 197,879
Accrued expenses	10,559	14,546
	147,821	212,425
Total current liabilities		
Net assets:		
Accumulated other comprehensive loss (notes 1,5)	(49,048)	(15,660)
Unrestricted	3,486,684	3,460,677
	3,437,636	3,445,017
Total net assets		
Total liabilities and net assets	\$ 3,585,457	\$ 3,657,442

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

**FOREVER YOUNG FOUNDATION, INC.**  
**Statements of Activities and Changes in Net Assets**  
**For the Years Ended December 31, 2015 and 2014**

	2015	2014
Revenues, contributions and other support:		
Event revenue, net of related expenses of \$221,101 and \$224,477 , respectively (note 2)	\$ 854,886	\$ 1,036,936
Interest income	88,376	90,385
Contributions:		
Cash	3,005,786	1,260,208
In-Kind (notes 1)	6,353	607,993
Total revenues, contributions and other support	3,955,579	2,997,541
Expenses:		
Program service expenses:		
Grants (note 3)	3,394,889	2,026,885
Salaries and benefits	271,365	272,394
General operating expenses	95,542	129,670
Total program service expenses	3,761,796	2,428,949
Fund-raising expenses:		
Salaries and benefits	32,018	34,625
Marketing	7,695	8,317
General operating expenses	12,484	10,762
Total fund-raising expenses	52,197	53,704
Supporting services:		
Salaries and benefits	63,708	68,447
Marketing	3,046	4,245
General operating expenses	48,825	34,585
Total supporting service expenses	115,579	107,277
Total expenses	3,929,572	2,589,930
Net increase in net assets	26,007	407,611
Other comprehensive income:		
Unrealized holding gains (losses) arising during the period (notes 1,5)	(33,388)	(10,974)
Total comprehensive increase/decrease in net assets	(7,381)	396,637
Net assets, beginning of year	3,445,017	3,048,380
Net assets, end of year	\$ 3,437,636	\$ 3,445,017

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

**FOREVER YOUNG FOUNDATION, INC.**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2015 and 2014**

	2015	2014
Cash flows from operating activities:		
Change in net assets	\$ 26,007	\$ 407,611
Adjustments to reconcile net income to net cash provided by operating activities:		
Loss (gain) on sale of marketable securities	(178)	(2,019)
In-kind contributions received	(6,353)	(607,993)
In-kind contributions made	-	9,240
Decrease (increase) in operating assets and liabilities:		
Receivables	97,582	131,274
Accrued expenses	(3,987)	222
Accounts payable	(60,617)	147,706
	52,454	86,041
Net cash provided by operating activities		
Cash flows from investing activities:		
Purchase of marketable securities	(213,916)	(14,924)
Proceeds from sale of marketable securities	6,531	600,772
	(207,385)	585,848
Net cash provided (used) by investing activities		
Cash flows from financing activities	-	-
Net increase (decrease) in cash and cash equivalents	(154,931)	671,889
Cash and cash equivalents, beginning of year	1,777,218	1,105,329
Cash and cash equivalents, end of year	\$ 1,622,287	\$ 1,777,218

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

**FOREVER YOUNG FOUNDATION, INC.**  
**Notes to the Financial Statements**  
**December 31, 2015 and 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Founded in 1993 by NFL legend Steve Young, Forever Young Foundation® is a non-profit 501(c)(3) organization. The Foundation serves children who face significant physical, emotional and financial challenges by providing academic, athletic, and therapeutic opportunities unavailable to them. Forever Young Foundation has determined the best way to accomplish our mission is through the development and support of charitable organizations with a proven track record in delivering these services.

The following is a summary of the significant accounting and reporting policies of the Foundation:

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting. The underlying accounting of the Foundation is maintained in accordance with the principles of fund accounting. These principles require that the resources of the Foundation be classified into groups or funds in accordance with activities or objectives specified for the resources.

The net assets of the funds of the Foundation have been classified into three categories: Unrestricted, Temporarily Restricted, and Permanently Restricted. These categories are determined based on restrictions placed upon resources provided to the Foundation by donors or others. Unrestricted net assets are available to be used by the Foundation because either contributions or other revenues were received without restriction or donor restriction has expired. When a donor 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 are reported in the statement of activities as net assets released from restrictions. As of December 31, 2015 and 2014, the Foundation has not received any resources which have been restricted by the donor.

Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Investments

The Foundation classifies its marketable debt and equity securities as available for sale. Securities classified as available for sale are carried in the financial statements at fair value. Realized gains and losses, determined using the first-in, first-out (FIFO) method, are included in earnings; unrealized holding gains and losses are reported in other comprehensive income.

Furniture and Equipment

Furniture and equipment are recorded at cost or, if donated, at fair value at the date of donation. Depreciation is computed using the straight-line method over estimated useful lives ranging from three to five years.



**FOREVER YOUNG FOUNDATION, INC.**  
**Notes to the Financial Statements (Continued)**  
**December 31, 2015 and 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

In-kind contributions are recorded at their fair value at the date they are received.

Income Taxes

The financial statements do not reflect a provision for income taxes because the Foundation has received an exemption from federal income taxes as a nonprofit organization under Section 501(c)(3) of the Internal Revenue Code.

Use of Estimates in Preparing 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, gains and other support and expenses during the reporting period. Actual results could differ from those estimates.

Donated Services

No amounts have been recorded for donated services where no objective basis is available to measure the value of such services and such services do not require specialized skill; however, a substantial number of volunteers have donated significant amounts of time to the Foundation.

2. EVENTS

The Foundation sponsors four events each year. The revenue and expenses related to these events are as follows:

	2015			2014 Net Revenue
	Event Revenue	Event Expense	Net Revenue	
Bay Area Classic	\$ 385,831	\$ 106,962	\$ 278,869	\$ 345,552
Desert Classic	173,325	44,188	129,137	134,085
Mountain Classic	289,658	61,142	228,516	266,249
Ski Classic	227,173	5,605	221,568	331,445
	<u>\$1,075,987</u>	<u>\$ 217,897</u>	858,090	1,077,331
General event expenses			<u>3,204</u>	<u>40,395</u>
Net revenue from events			<u>\$ 854,886</u>	<u>\$1,036,936</u>

**FOREVER YOUNG FOUNDATION, INC.**  
**Notes to the Financial Statements (Continued)**  
**December 31, 2015 and 2014**

3. GRANTS

The Foundation contributes funds to various organizations throughout the year. The cash contributions are recorded as program service expenses when given. Additionally, the Foundation periodically contributes in-kind property to these organizations. These donations are recorded at fair value when made. The Foundation made in-kind contributions during the years ended December 31, 2015 in the amount of \$0 (\$9,240 in 2014).

4. CONTRIBUTIONS RECEIVED

The Foundation received a promissory note with a face value of \$1,400,000 during the year ended December 31, 2011. The note was recorded as an in-kind donation during 2011. The Foundation receives interest payments on the note at 5%. The note matures in 2032 and is secured by real estate of equal or greater value. The Foundation is the only secured lien holder on the real estate.

5. MARKETABLE SECURITIES

Cost and fair value of marketable securities at December 31, 2015 and 2014 are as follows:

	2015	2014	
Cost	\$ 422,046	\$ 208,130	
Gross unrealized losses	(49,048)	(15,660)	
Total assets	\$ 372,998	\$ 192,470	

The change in net unrealized holding gains (losses) on securities available for sale in the amount of (\$33,388) and (\$10,974), has been charged to other comprehensive income for the years ended December 31, 2015 and 2014, respectively.

6. SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 17, 2016, the date the financial statements were available to be issued.