



Certified Public Accountants, LLP

**IOLA FOUNDATION  
DBA: IT GETS BETTER PROJECT**

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**FINANCIAL STATEMENTS**

**DECEMBER 31, 2017**

PASADENA  
234 E Colorado Blvd  
Suite M150  
Pasadena, CA 91101  
Tel: 626.403.6801  
Fax: 626.403.6866

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Suite 160  
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Tel: 415.391.3131  
Fax: 415.391.3233

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## **INDEPENDENT AUDITORS' REPORT**

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To the Board of Directors  
IOLA Foundation dba: It Gets Better Project

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

We have audited the accompanying financial statements of IOLA Foundation dba: It Gets Better Project (a nonprofit organization), which comprise the Statement of Financial Position as of December 31, 2017, and the related Statements of Activities, Functional Expenses, and Cash Flows for the year 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 of 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 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.

## INDEPENDENT AUDITORS' REPORT

continued

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### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of IOLA Foundation dba: It Gets Better Project as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Prior Period Financial Statements

The December 31, 2016 financial statements were reviewed by us, and our report thereon, dated March 31, 2017, stated we were not aware of any material modifications that should be made to those financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements..

*Harrington Group*

Pasadena, California

May 9, 2018

# IOLA FOUNDATION DBA: IT GETS BETTER PROJECT

## STATEMENT OF FINANCIAL POSITION

December 31, 2017 (Audited)

With comparative totals at December 31, 2016 (Reviewed)

	2017 <u>(Audited)</u>	2016 <u>(Reviewed)</u>
<b>ASSETS</b>		
Cash	\$ 353,218	\$ 173,445
Accounts receivable	2,000	15,238
Prepaid expense	7,795	7,106
Equipment (Note 3)	<u>10,791</u>	<u>5,962</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 373,804</u></u>	<u><u>\$ 201,751</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	<u>\$ 19,855</u>	<u>\$ 16,971</u>
<b>TOTAL LIABILITIES</b>	<u>19,855</u>	<u>16,971</u>
<b>NET ASSETS</b>		
Unrestricted	<u>353,949</u>	<u>184,780</u>
<b>TOTAL NET ASSETS</b>	<u>353,949</u>	<u>184,780</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 373,804</u></u>	<u><u>\$ 201,751</u></u>

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

# IOLA FOUNDATION DBA: IT GETS BETTER PROJECT

## STATEMENT OF ACTIVITIES

For the year ended December 31, 2017 (Audited)

With comparative totals for the year ended December 31, 2016 (Reviewed)

	<u>2017</u> <u>(Audited)</u>	<u>2016</u> <u>(Reviewed)</u>
<b>REVENUE AND SUPPORT</b>		
Contributions	\$ 789,421	\$ 400,565
Merchandise income - net of cost of goods sold of \$7,512	4,396	6,563
Interest Income	70	56
<b>TOTAL REVENUE AND SUPPORT</b>	<u>793,887</u>	<u>407,184</u>
<b>EXPENSES</b>		
Program services	512,776	362,547
Administrative	84,043	73,658
Fundraising	27,899	24,734
<b>TOTAL EXPENSES</b>	<u>624,718</u>	<u>460,939</u>
<b>CHANGE IN NET ASSETS</b>	169,169	(53,755)
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>184,780</u>	<u>238,535</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 353,949</u>	<u>\$ 184,780</u>

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

**IOLA FOUNDATION DBA: IT GETS BETTER PROJECT**

STATEMENT OF FUNCTIONAL EXPENSES  
For the year ended December 31, 2017 (Audited)  
With comparative totals for the year ended December 31, 2016 (Reviewed)

	Program Services				Administrative	Fundraising	Total Expenses	
	Media	Community Engagement	International	Total			2017 (Audited)	2016 (Reviewed)
Salaries	\$ 130,498	\$ 35,327	\$ 93,238	\$ 259,063	\$ 33,030	\$ 18,900	\$ 310,993	\$ 257,250
Independent contractors	21,803	37,585	8,000	67,388	155		67,543	31,644
Travel and meeting expenses	3,769	24,865	11,076	39,710	2,325		42,035	24,465
Payroll taxes	10,455	2,738	7,468	20,661	2,738	1,494	24,893	21,049
Production expenses	24,105			24,105			24,105	2,378
Global grant recipients			20,028	20,028			20,028	12,870
Rent	7,560	1,980	5,400	14,940	1,980	1,080	18,000	14,114
Printing and copying	21	12,213	1,819	14,053	201		14,254	3,895
Taxes and licenses				-	12,298		12,298	75
Medical insurance	4,696	1,230	3,354	9,279	1,230	671	11,180	7,155
Accounting fees				-	10,164		10,164	13,194
Advertising	3,762	985	2,687	7,433	985	537	8,956	166
Office expenses	3,704	970	2,646	7,321	971	529	8,821	5,507
Bank charges				-	7,764		7,764	6,920
Insurance	3,224	844	2,303	6,370	844	461	7,675	3,926
Audit and tax preparations				-	5,000		5,000	10,500
Internet and telephone	1,977	518	1,412	3,908	518	282	4,708	5,428
Postage and shipping	1,651	432	1,179	3,262	432	236	3,930	3,274
Depreciation	1,418	371	1,013	2,803	371	203	3,377	2,210
Staff/board meetings	1,376	360	983	2,719	360	197	3,276	-
Workers compensation	1,201	314	858	2,373	314	172	2,859	2,434
Meals	1,114	292	796	2,202	292	159	2,653	2,300
Events				-		2,607	2,607	4,568
Vacation accrual	975	255	697	1,927	255	139	2,322	6,593
Dues and subscriptions	869	227	620	1,716	227	124	2,068	1,503
Moving and storage expenses	766	201	547	1,514	201	109	1,824	675
Payroll fees				-	1,236		1,236	1,279
Donation				-	149		149	-
Training				-			-	10,822
Legal fees				-			-	4,745
<b>TOTAL 2017 FUNCTIONAL EXPENSES</b>	<b>\$ 224,943</b>	<b>\$ 121,710</b>	<b>\$ 166,123</b>	<b>\$ 512,776</b>	<b>\$ 84,043</b>	<b>\$ 27,899</b>	<b>\$ 624,718</b>	
<b>TOTAL 2016 FUNCTIONAL EXPENSES</b>	<b>\$ 96,847</b>	<b>\$ 151,241</b>	<b>\$ 114,459</b>	<b>\$ 362,547</b>	<b>\$ 73,658</b>	<b>\$ 24,734</b>		<b>\$ 460,939</b>

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

## IOLA FOUNDATION DBA: IT GETS BETTER PROJECT

### STATEMENT OF CASH FLOWS

For the year ended December 31, 2017 (Audited)

With comparative totals for the year ended December 31, 2016 (Reviewed)

	<u>2017</u> <u>(Audited)</u>	<u>2016</u> <u>(Reviewed)</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 169,169	\$ (53,755)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	3,377	2,210
(Increase) decrease in operating assets:		
Accounts receivable	13,238	(1,509)
Prepaid expenses	(689)	(1,759)
Increase (decrease) in operating liabilities:		
Accounts payable	2,884	6,697
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>187,979</u>	<u>(48,116)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of equipment	<u>(8,206)</u>	<u>-</u>
<b>NET CASH (USED) BY INVESTING ACTIVITIES</b>	<u>(8,206)</u>	<u>-</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>179,773</b>	<b>(48,116)</b>
<b>CASH, BEGINNING OF YEAR</b>	<u>173,445</u>	<u>221,561</u>
<b>CASH, END OF YEAR</b>	<u><u>\$ 353,218</u></u>	<u><u>\$ 173,445</u></u>

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



# IOLA FOUNDATION DBA: IT GETS BETTER PROJECT

## NOTES TO FINANCIAL STATEMENTS

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### 1. **Organization**

IOLA Foundation dba: It Gets Better Project (“IOLA Foundation”) is a California nonprofit corporation classified by the Internal Revenue Service as tax-exempt under Section 501(c)(3).

#### Mission

The It Gets Better Project's mission is to uplift, empower, and connect lesbian, gay, bisexual, transgender, and queer (LGBTQ+) youth around the globe.

Hope is in high demand, especially for young LGBTQ+ people whose journey to self, family, and community acceptance is often met with incredible obstacles. Higher rates of bullying, family and peer rejection, homelessness, and sexual assault can all contribute to feelings of isolation, depression, hopelessness, and, in some cases, a descent into suicidal ideation. These challenges have motivated the development of many critical, life-saving resources for LGBTQ+ youth seeking hope and support when it is needed most. The It Gets Better Project (“IGBP”) is one of those resources.

#### History

At its heart, IGBP is an activist movement. It was launched by syndicated columnist and author Dan Savage in 2010, who, with his husband Terry, was moved to act when he heard stories of LGBTQ+ youth dying from suicide and wanted to help prevent others from doing the same. They created the first It Gets Better® video, which urged young LGBTQ+ people to stay true to themselves through bullying and other challenges of adolescence. The message was simple, that no matter how difficult things may be, it can get better. This message struck such a chord with people that it immediately went viral and inspired a spontaneous, organic grassroots movement to spread that message of hope. People around the globe began to create and share their own videos, telling their stories, giving rise to the It Gets Better® movement.

More than seven years later, IGBP has seen it get better for millions of LGBTQ+ people. We have witnessed marriage equality in the United States and abroad, a White House bathed in rainbow light, and the normalization of coming out for a generation of young people who are redefining gender and sexuality in their own terms. IGBP's messages of hope for LGBTQ+ youth, spread by diverse messengers and media channels, have inspired people around the world and continue to touch individual lives and contribute to sweeping cultural changes.

IGPB has since amassed a dynamic collection of stories and other digital media content—shared via YouTube, Facebook, and other social channels—that expound on the values of resiliency, hope, community, and staying true to oneself. More than 60,000 individuals, corporations, and other organizations have shared their stories, and many have donated their time and financial resources, which has resulted in a highly recognized and celebrated global movement with a growing presence in 19 countries around the world. The stories about how life can and will get better are reaching young people, and changing their own narratives of what's possible for them today and in the future.

# IOLA FOUNDATION DBA: IT GETS BETTER PROJECT

## NOTES TO FINANCIAL STATEMENTS

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### 1. **Organization**, continued

IGBP has touched countless individual lives - as seen through the tens of thousands of letters, emails and online comments we have received telling us so. We have given voice to the voiceless and shown a mirror to those who previously felt alone. We have engaged influential allies by including the voices of leaders and celebrities in the It Gets Better® movement. For some, seeing that President Obama was on their side may have made the difference. For others, it was the person from their hometown, or one just like it, whose story was so similar it felt like it could be their own. We energized people to take action by making videos, and we provided hope to countless young people through all of the stories and hopeful messages shared.

IGBP is on a path to assembling the largest collection of positive LGBTQ+ content in the world, as well as creating a global content distribution platform capable of reaching millions of LGBTQ+ youth to bring hope, community, and support to all who seek it. By continuing to influence the global social narrative through new media initiatives, broadening its distribution network, and enhancing visibility of IGBP's brand, IGBP will continue to reach young LGBTQ+ people who have the most to gain from the organization's positive and empowering work.

Today, the IGBP focuses its efforts in two major areas:

- *Storytelling.* IGBP connects young LGBTQ+ people with the global LGBTQ+ community by providing access to an arsenal of uplifting and inspiring stories of hope, resilience, and determination, as told by members of the LGBTQ+ community and their allies.
- *Building Community.* IGBP builds community both internationally and locally in three main ways: (a) by cultivating a growing network of international affiliates that have embraced IGBP mission to support LGBTQ+ youth in their home countries, (b) by engaging with young LGBTQ+ people both on and offline and, and (c) by connecting them to local community service providers that can provide on-the-ground assistance.

#### Storytelling

IGBP works in all forms of media to bring messages of hope to LGBTQ+ youth and to spark conversations about the challenges they confront.

IGBP's online video collection and social media platforms are at the center of its global messaging and outreach to youth. To date, IGBP has received over 60,000 submissions from celebrities, organizations, activists, politicians and media personalities, and countless everyday LGBTQ+ people and their allies, representing all ages, races, religions, nationalities, gender identities, and sexual orientations. Submissions include President Barack Obama, Secretary of State and 2016 presidential candidate Hillary Clinton, Rep. Nancy Pelosi, Bishop Desmond Tutu, Prime Minister David Cameron, Adam Lambert, Anne Hathaway, Colin Farrell, Matthew Morrison of "Glee", Joe Jonas, Joel Madden, Kesha, Sarah Silverman, Tim Gunn, Ellen DeGeneres, Suze Orman, the staffs of Google, Facebook, Pixar, The Gap, the Broadway community, and many more. Every story and every video changes a life. It doesn't matter who shares it.

continued

# IOLA FOUNDATION DBA: IT GETS BETTER PROJECT

## NOTES TO FINANCIAL STATEMENTS

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### 1. **Organization**, continued

Every video offers a unique perspective, but the core message in each is the same: telling LGBTQ+ youth that, whatever their circumstances, it gets better. This simple message has attracted close to one million social media followers – a number that grows by nearly 10,000 new followers every month.

IGBP also works to feature the It Gets Better® message throughout social media, television, and film. In partnership with cable channel MTV, it produced a television special called It Gets Better, featuring the stories of LGBTQ+ young people, their struggles and achievements. As a result, IGBP received an Emmy® award for its use of the medium of television to achieve social good.

Social media remains a strong distribution channel for IGBP's collaborative programming. MSNBC, ONE Archives, and IGBP joined forces in 2015 to share the stories of 10 prominent LGBTQ+ activists in Los Angeles via produced videos. IGBP also partnered with L-Studio by Lexus, Is or Isn't Entertainment, and Hypomania Content to create It Got Better, a three-season web series highlighting the stories of 18 out and proud celebrities, including RuPaul, Wanda Sykes, Portia de Rossi, and Candis Cayne.

IGBP inspired a New York Times best-selling book titled, It Gets Better: Coming Out, Overcoming Bullying, and Creating a Life Worth Living. The book is a collection of some of the early It Gets Better® stories that are part of IGBP's online video collection. Through the It Gets Better® Schools and Libraries Project, over 1,500 copies of the book have been donated to school and community libraries around the country.

IGBP continues to ensure that the It Gets Better® message is routinely featured in print, broadcast, social media, and other forms of media, such as film, theater, gaming, and public art, by working with organizations around the world to promote IGBP's activities and advance discussions about topics important to LGBTQ+ youth.

#### Building Community

IGBP brings messages of hope to LGBTQ+ youth around the world and works globally to inspire change in local communities.

IGBP has been international in scope since the first It Gets Better® videos appeared online. Beginning in those early days, countless It Gets Better® videos have been offered from supporters around the globe. While the videos are diverse in language, culture, and political viewpoint, and feature a range of different issues, they always demonstrate the unifying theme that life can and will get better.

# IOLA FOUNDATION DBA: IT GETS BETTER PROJECT

## NOTES TO FINANCIAL STATEMENTS

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### 1. **Organization**, continued

In addition to its foundation in the United States, IGBP now supports a growing network of 17 international affiliates: Austria, Brazil, Canada, Chile, Colombia, Ecuador, Greece, India, Italy, Mexico, Moldova, Paraguay, Peru, Portugal, Russia, Spain, and Switzerland. Each affiliate uses the power of the It Gets Better® message in its own unique way to facilitate positive change for LGBTQ+ youth – while always keeping the power of storytelling front and center. Through coordinated efforts both domestic and overseas, and working alongside its affiliates, IGBP is able to bring the expertise of established organizations into regions where resources for LGBTQ+ youth are scarce.

Building on the momentum of the international videos, IGBP has supported programs to benefit LGBTQ+ youth on six continents through grantmaking initiatives. The programs are as diverse as IGBP's collection of videos. They include a museum exhibit in South Africa featuring local It Gets Better® videos, an award-winning film featuring a transgender lead character in Thailand, and a program about addressing LGBTQ+ bullying at the U.S. embassy in Guadalajara, Mexico.

IGBP participates in pride events, LGBTQ+ conferences, and a range of other activities around the world to interact directly with LGBTQ+ young people and hear from them about the issues they feel are most important to them. IGBP then identifies existing resources or collaborates with partners to develop new resources to address these needs. Through this collaborative approach, IGBP has improved the visibility of well-established organizations that provide services for LGBTQ+ youth. It has also generated opportunities to focus on emerging issues ranging from the participation of LGBTQ+ youth in recreational and professional sports to transgender health and wellness. IGBP acts as a bridge for LGBTQ+ youth to connect with the community that cares so deeply about them, and it uses the power of collaboration to share positive messages of hope and resiliency.

#### 2017 Highlights

- Empowering It Gets Better® stories were viewed 11.6 million times, with more than 5.4 million minutes watched through social outlets including YouTube and Facebook. And, the IGBP's global audience surpassed 1M social media followers and fans. Engagement via social media has nearly tripled since 2016 with over 6 million interactions with It Gets Better® content on Facebook, Twitter, and Instagram.
- In partnership with SAGE (Advocacy & Services for LGBT Elders), the IGBP hosted a lunch designed to encourage cross-generational conversations on issues impacting the LGBTQ+ community. Ten fascinating people with wonderfully diverse and colorful backgrounds came together to breathe life into this project. Among them were social media influencer Shannon Beveridge, actress and comedian Kassie Thornton, activist and artist Joey Terrill, marketing executive and IGBP Board Member Paul Dien, and activist Gail Rolf. The event was filmed in April and released across all It Gets Better® social media channels during Pride season (June 2017).

continued

# IOLA FOUNDATION DBA: IT GETS BETTER PROJECT

## NOTES TO FINANCIAL STATEMENTS

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### 1. Organization, continued

- The IGBP created its first original web series, *Coloring with Max & McKenna*, to share the stories behind the public persona of the LGBTQ+ community's most visible social media influencers. Guests included MacDoesIt, ElloSteph, Ambers Closet, Kat Blaque, Max Emerson, Tommy Lei, Ryan Carrillo, Amy Ordman, and Anthony Watson. The 9-part series is now available on the IGBP's YouTube channel which now has more than 54K subscribers.
- In December 2017, the IGBP launched a new education program that translates some of the most popular It Gets Better® media content, and IGBP-partner content, into education guides for use in the classroom and other community settings. are five guides currently available at [ItGetsBetter.org/education](http://ItGetsBetter.org/education):
  - *Finding Pride*. Shortly after the first It Gets Better® video was uploaded to YouTube, the campaign went viral. By now, more than 60,000 videos have been shared. Finding Pride, the official discussion and activity guide, takes a look at 33 of these compelling stories divided into six themes or lesson plans. It was made in collaboration with Journeys in Film.
  - *Bayard & Me*. In Bayard & Me, a short film by Super Deluxe, Walter Naegle looks back on his intimate relationship with the great American leader, Bayard Rustin, during a time when gay marriage was inconceivable. He reflects on the little known phenomena of intergenerational gay adoption and its connection to civil rights.
  - *Queer, There, and Everywhere*. Author Sarah Prager gives voice to twenty-three LGBTQ+ icons from the near and distant past. These astonishing true stories—now available in *Queer, There, and Everywhere*—demonstrate how rich and varied gender and sexuality have always been in every culture, in every millennium.
  - *Check It*. *Check It* is a documentary about a group of bullied ninth graders in Washington DC who formed the first LGBTQ+ gang in the US. But, building a feared reputation is tough. When four key members are offered a way out of the violence, they set their eyes on something that unifies them instead: fashion.
  - *This Is Everything: Gigi Gorgeous*. *This is Everything: Gigi Gorgeous* is a documentary that chronicles the incredible transition of Gregory, a champion diver destined for the Olympics, to Gigi Gorgeous, a rising media personality. It is a story about unconditional love and finding the courage to be you—all while thousands of fans are watching on YouTube!
- Thanks to an incredible partnership with Google, Team One, and Automatic, ItGetsBetter.org underwent a massive redesign to improve the visitor experience. Every month more than 25,000 people are turning to ItGetsBetter.org for support. Visitors can now:
  - Browse thousands of unique It Gets Better® stories by searching for something specific, or following an endless scroll of inspiration.

continued

# IOLA FOUNDATION DBA: IT GETS BETTER PROJECT

## NOTES TO FINANCIAL STATEMENTS

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### 1. Organization, continued

- Explore a first-class community resource database with over 800 life-saving service providers, with specific programming for LGBTQ+ youth, in local communities across the US and abroad.
- Share their personal stories for the benefit of a young LGBTQ+ person in dire need of hope and inspiration.
- Expansion of the It Gets Better® International Affiliate Network included the recruitment of new representation in Russia, the United Kingdom, and the Dominican Republic. The IGBP is now present in 19 countries around the world, including Austria, Brazil, Canada, Chile, Colombia, Ecuador, Greece, India, Italy, Mexico, Moldova, Paraguay, Portugal, Spain, Switzerland, and the United States.
- The IGBP hosted its first It Gets Better® Euro Summit in tandem with World Pride in Madrid, Spain. Representatives from the IGBP's European International Affiliate Network came together to learn about the issues impacting LGBTQ+ youth today – and how to counter the symptoms of isolation and other forms of stress through positive storytelling and community building.
- Many small LGBTQ+ organizations and activist groups around the world struggle to fulfill their missions due to a lack of resources. The IGBP addresses this issue by investing in grassroots efforts that inspire LGBTQ+ youth through media. The IGBP awarded nine Global Grants to eight well-deserving LGBTQ+ groups on four different continents, including:
  - Coalición LGBTI Paraguay (Ñepyrũ). The IGBP's grant funds supported general operations for the 9th Annual Asunción LGBT Pride.
  - Eastern Africa Regional Youth Network (EARYN). Now in its second year, EARYN received a grant for the Second Annual Queer Youth Summit in Kenya, which included hosted workshops on youth advocacy, leadership, and cross-cultural mentorship.
  - Es Wird Besser Österreich, an It Gets Better® affiliate, will leverage IGBP funding to launch a public story collection effort in Styria, a rural province of Austria.
  - Grupo Dignidade (d/b/a It Gets Better Brasil), an It Gets Better® affiliate, leveraged their funds to purchase new equipment to improve the quality of stories collected for It Gets Better Brasil's media channels.
  - It Gets Better Colombia, an It Gets Better® affiliate, received funds to enhance their website to support a real-time chat feature for at-risk LGBTQ+ youth.
  - It Gets Better España, an It Gets Better® affiliate, received funds to underwrite two video campaigns.

continued

# IOLA FOUNDATION DBA: IT GETS BETTER PROJECT

## NOTES TO FINANCIAL STATEMENTS

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### 1. **Organization**, continued

- It Gets Better México, an It Gets Better® affiliate, used their award to launch a Regional Manager Leadership Program in Mexico City.
- It Gets Better Paraguay, an It Gets Better® affiliate, received funding to conduct and document (via video) critical research on the quality of life of LGBTQ+ youth in Tacumbu.
- Tudo Vai Melhorar, an It Gets Better® affiliate, will utilize their grant monies to develop a new web series featuring LGBTQ+ individuals and their parents.

### 2. **Summary of Significant Accounting Policies**

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements is as follows:

#### **Basis of Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting.

#### **Accounting**

To ensure observance of certain constraints and restrictions placed on the use of resources, the accounts of IOLA Foundation are maintained in accordance with the principles of net asset accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into net asset classes that are in accordance with specified activities or objectives. Accordingly, all financial transactions have been recorded and reported by net asset class as follows:

**Unrestricted.** These generally result from revenues generated by receiving unrestricted contributions, providing services, and receiving interest from investments less expenses incurred in providing program related services, raising contributions, and performing administrative functions.

**Temporarily Restricted.** IOLA Foundation reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the 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 program or capital restrictions. At December 31, 2017, IOLA Foundation had no temporarily restricted net assets.

**Permanently Restricted.** These net assets are restricted by donors who stipulate that resources are to be maintained permanently, but permit IOLA Foundation to expend all of the income (or other economic benefits) derived from the donated assets. At December 31, 2017, IOLA Foundation had no permanently restricted net assets.

continued

# IOLA FOUNDATION DBA: IT GETS BETTER PROJECT

## NOTES TO FINANCIAL STATEMENTS

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### 2. Summary of Significant Accounting Policies, continued

#### **Concentration of Credit Risks**

IOLA Foundation places its temporary cash investments in high-credit, quality financial institutions. At times, such accounts may be in excess of the Federal Deposit Insurance Corporation insurance limit. IOLA Foundation has not incurred losses related to these investments.

#### **Property and Equipment**

Property and equipment are recorded at cost if purchased or at fair value at the date of donation if donated. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets. Maintenance and repair costs are charged to expense as incurred. Property and equipment are capitalized if the cost of an asset is greater than or equal to one thousand dollars and the useful life is greater than one year.

#### **Income Taxes**

IOLA Foundation is exempt from taxation under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d.

Generally accepted accounting principles provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by IOLA Foundation in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. IOLA Foundation's returns are subject to examination by federal and state taxing authorities, generally for three and four years, respectively, after they are filed.

#### **Functional Allocation of Expenses**

Costs of providing the IOLA Foundation's programs and other activities have been presented in the Statement of Functional Expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit.

#### **Advertising**

IOLA Foundation uses advertising to promote its programs among the public it serves. Advertising costs are expensed as incurred. Advertising costs for the year ended December 31, 2017 amounted to \$8,956.



# IOLA FOUNDATION DBA: IT GETS BETTER PROJECT

## NOTES TO FINANCIAL STATEMENTS

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### 2. Summary of Significant Accounting Policies, continued

#### Use of Estimates

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

#### Comparative Totals

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with IOLA Foundation's financial statements for the year ended December 31, 2016, from which the summarized information was derived.

#### Subsequent Events

Management has evaluated subsequent events through May 9, 2018, the date which the financial statements were available for issue. No events or transactions have occurred during this period that appear to require recognition or disclosure in the financial statements.

### 3. Property and Equipment

Property and equipment at December 31, 2017 consist of the following:

Software	\$ 2,250
Equipment	4,862
Computers	12,140
Less: accumulated depreciation	<u>(8,461)</u>
	<u>\$10,791</u>

Depreciation expense for the year ended December 31, 2017 was \$3,377.