

YOUTH OUTLOOK

REVIEWED FINANCIAL STATEMENTS
CASH BASIS

For the Years ended December 31, 2017 and 2016

YOUTH OUTLOOK

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Youth Outlook

We have reviewed the accompanying financial statements of Youth Outlook (a nonprofit organization), which comprise the statements of assets, liabilities, and net assets—cash basis as of December 31, 2017 and 2016, and the related statements of revenues, expenses, and other changes in net assets—cash basis for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of 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's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

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 accordance with the cash basis of accounting.

Basis of Accounting

We draw attention to Note A of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

A handwritten signature in black ink, appearing to read 'T. Allen', is written over the printed name of the firm.

T. Allen & Associates, LLC

Certified Public Accountants

August 27, 2018

YOUTH OUTLOOK
 Statements of Assets and Net Assets
 Arising From Cash Transactions
 For the Year Ended December 31

	2017	2016
ASSETS		
Cash/ Cash Equivalents	\$ 95,179	\$ 91,047
Office equipment	11,190	9,740
Less accumulated depreciation	(10,062)	(9,740)
Total Assets	\$ 96,307	\$ 91,047
 NET ASSETS		
Without Donor Restrictions	\$ (36,042)	\$ (26,958)
With Donor Restrictions	132,349	118,005
Total Net Assets	\$ 96,307	\$ 91,047

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

YOUTH OUTLOOK
 Statements of Activities
 Arising From Cash Transactions
 For the Year Ended December 31

	<u>2017</u>	<u>2016</u>
Changes in Net Assets		
Grants	\$ 138,376	\$ 100,629
Contributions and Gifts	74,296	73,182
Special Events and Activities	16,455	37,333
Interest Income	-	11
Other miscellaneous	1,455	6,248
In Kind Contributions	<u>12,360</u>	<u>12,360</u>
Total Revenues and Other Support	242,942	229,763
Expenses		
Program Services	106,898	94,094
Management and General	109,784	115,366
Fund Raising	<u>21,000</u>	<u>12,245</u>
Total Expenses	237,682	221,705
Increase in Net Assets	<u>5,260</u>	<u>8,058</u>
Net Assets, Beginning of Year	<u>91,047</u>	<u>82,989</u>
Net Assets, End of Year	<u>\$ 96,307</u>	<u>\$ 91,047</u>

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

YOUTH OUTLOOK
Supporting Services
Arising From Cash Transactions
for the Year Ended December 31

	Program Services	Management and General	Fundraising	2017 Total Expenses	2016
Salaries	\$ 74,615	\$ 47,708	\$ -	\$ 122,323	\$ 123,990
Payroll Taxes	5,890	3,766		9,656	10,072
Employee Benefits	7,264	7,225		14,489	11,617
Total Personnel	<u>87,769</u>	<u>58,699</u>	<u>-</u>	<u>146,468</u>	<u>145,679</u>
Advertising				-	160
Bank and Credit Card Charges	106	98		204	368
Dues and Subscriptions	135	250		385	125
Equipment				-	-
In Kind Expenses				-	-
Insurance	2,388	3,329		5,717	11,214
License and Fees		101		101	280
Office Expense	1,454			1,454	1,664
Other	451			451	200
Outside Services	2,901			2,901	2,404
Postage	132			132	546
Printing, Copying and Publications	441			441	915
Professional Fees		26,763		26,763	13,153
Rent	1,026	12,360		13,386	12,359
Special Events and Activities	200		21,000	21,200	12,245
Supplies	362	1,268		1,630	12,969
Telephone	826	3,211		4,037	4,167
Travel and Mileage	8,594	3,536		12,130	3,257
Total Expenses before Depreciation	<u>19,016</u>	<u>50,916</u>	<u>21,000</u>	<u>90,932</u>	<u>76,026</u>
Depreciation	113	169		282	-
Total Expenses	<u>\$ 106,898</u>	<u>\$ 109,784</u>	<u>\$ 21,000</u>	<u>\$ 237,682</u>	<u>\$ 221,705</u>

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

YOUTH OUTLOOK
 Statements of Changes in Net Assets
 Arising From Cash Transactions
 For the Year Ended December 31

	Without Donor Restrictions	Donor Restricted	2017 Totals	2016
Revenues and Other Support:				
Grants	\$ 119,032	\$ 19,344	\$ 138,376	\$ 100,629
Contributions and Gifts	74,296		74,296	73,182
Special Events and Activities	16,455		16,455	37,333
Interest Income	-		-	11
Other miscellaneous	1,455		1,455	6,248
In Kind Contributions	12,360		12,360	12,360
Total Revenues and Other Support	<u>223,598</u>	<u>19,344</u>	<u>242,942</u>	<u>229,763</u>
Expenditures and other deductions:				
Advertising	-		-	160
Bank and Credit Card Charges	204		204	368
Depreciation	282		282	-
Dues and Subscriptions	385		385	125
Equipment	-		-	-
Employee Benefits	14,489		14,489	11,617
In Kind Expenses	-		-	-
Insurance	5,717		5,717	11,214
License and Fees	101		101	280
Office Expense	1,454		1,454	1,664
Other	451		451	200
Outside Services	2,901		2,901	2,404
Postage	132		132	546
Printing, Copying and Publications	441		441	915
Professional Fees	26,763		26,763	13,153
Rent	13,386		13,386	12,360
Salaries, Wages and Related Taxes	131,979		131,979	134,062
Supplies	1,630		1,630	12,969
Special Events and Activities	21,200		21,200	12,245
Telephone	4,037		4,037	4,167
Travel and Mileage	7,130	5,000	12,130	3,257
Total Expenditures	<u>232,682</u>	<u>5,000</u>	<u>237,682</u>	<u>221,705</u>
Changes in Net Assets	<u>(9,084)</u>	<u>14,344</u>	<u>5,260</u>	<u>8,058</u>
Net Assets, Beginning of Year	<u>(26,958)</u>	<u>118,005</u>	<u>91,047</u>	<u>82,989</u>
Net Assets, End of Year	<u>\$ (36,042)</u>	<u>\$ 132,349</u>	<u>\$ 96,307</u>	<u>\$ 91,047</u>

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

**YOUTH OUTLOOK
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016**

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

Youth Outlook (the "Organization") is a not-for-profit organization devoted to providing a supportive environment for youth who are dealing with questions and issues about sexual orientation and personal growth.

Drop-in centers are designed to provide a non-threatening social environment, resource materials, and trained staff who plan and implement educational and recreational programs each evening.

Tax Status

The Organization received a determination letter dated May 8, 2003, from the Internal Revenue Service, indicating that it is exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code.

Basis of Accounting

The records of the organization are maintained on the modified cash basis of accounting. The modified cash basis of accounting recognizes income when received rather than when earned and expenses when paid rather than when incurred while allowing for capitalization of assets and accrual for taxes.

Cash in the Bank

Youth Outlook has accounts at Busey Bank and American Chartered Bank. The Busey Bank account is a regular checking account. The one at American Chartered Bank is a regular checking account that serves as the Endowment Account. The total balance in the bank accounts is \$95,179 on December 31, 2017.

Cash and Investments

Cash and cash equivalents are defined as cash on hand, amounts held at financial institutions, and short-term liquid investments. Investments with a maturity of three months or less are considered liquid for these purposes.

**YOUTH OUTLOOK
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016**

Classes of Net Assets

SFAS established the reporting standards for general purpose exempt financial statements of not-for profit organizations, including a statement of financial position, a statement of activities and a statement of cash flows. Accounting Standards took effect December 2017 which reduced the prior three classes of net assets to two. Balances and transactions have been classified into the following class of net assets based on the existence or absences of donor-imposed restrictions:

Net Assets With Donor Restrictions Youth Outlook has \$132,349 in Net Assets with Donor Restrictions as of December 31, 2017.

Net Assets Without Donor Restrictions These are net assets not subject to stipulations. This category includes net assets, which have been designated by the organization's Board of Directors for program and organization operation. As of December 31, 2017, Net Assets Without Donor Restrictions are \$(36,042).

Plant and Equipment

Plant and equipment acquired by purchase are stated at cost while that acquired by gift is stated at the fair market value at time of receipt. Only major replacement and improvements are capitalized. Depreciation has been provided using the double-declining balance method over the estimated useful life of the related asset.

In 2017 three laptops and software were purchased in the amount of \$1,450.

Revenue and Grants

The Organization reports gifts of cash and assets as 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 purpose restriction is accomplished, Donor restricted net assets are reclassified to Net Assets Without Donor Restrictions and reported in the statement of changes in net assets as net assets released from restrictions.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulation specifies how the donated assets must be used. Gifts of long-lived assets with explicit restriction that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be

**YOUTH OUTLOOK
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016**

maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Allocation of Expenses

Expenses are allocated among the program and supporting services benefited based upon management's estimate of the percentage of expense paid for each purpose.

Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount 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 expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Related-Party Transactions

The Organization rents 100 square feet of office space in DeKalb, IL from Anne Mullen, Executive Director, at \$120 per month. The arm's length transaction value of this rental in 2017 was \$1,030 per month, resulting in a non-cash contribution by Ms. Muller of \$12,360 to the Organization in 2017.

NOTE 2 – GRANTS

Grants were received from multiple organizations. Below are listed the grants received in 2017. Youth Outlook reports the revenue when received.

Alphawood Foundation	\$40,000
Diffa	10,000
Ideal Industries Foundation	10,000
Chicago Foundation for Women	10,000
Crossroads	13,000
Centerlink	5,000
DeKalb County Community Mental Health	10,829
DuPage Foundation	20,000
Y-Link Chicago Foundation for Women	10,000
Miscellaneous grants received (under \$2,500 value)	<u>9,547</u>
Total Grants	\$138,376

YOUTH OUTLOOK
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

NOTE 3- CASH AND CASH EQUIVALENTS

Cash accounts at December 31, 2017 are summarized as follows:

	<u>Interest</u>	<u>Balance</u>
Busey Checking		\$87,179
American Chartered Bank Checking		<u>8,000</u>
		\$95,179

NOTE 4 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date but before financial statements are issued or are available to be issued. These events and transactions either provide additional evidence about conditions that existed at the date of the balance sheet including the estimates inherent in the process of preparing financial statement (that is recognized subsequent events), or provide evidence about conditions that did not exist at the date of the balance sheet but arose after that date (that is, non-recognized subsequent events).

The organization has evaluated subsequent events through August 27, 2018 the date of financial statements were available for issuance, and determined that there were no significant non-recognized subsequent events through that date.

NOTE 5 – CONTINGENT LIABILITES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the organization expects such amounts, if any, to be immaterial.

Youth Outlook has no lawsuits or pending litigation against it at the end of the calendar year, December 31, 2017.

YOUTH OUTLOOK
 BUDGET vs. ACTUAL
 For the Year Ended December 31, 2017

	Actual	Budget
Changes in Net Assets		
Grants	\$ 138,376	\$ 119,000
Contributions and Gifts	74,296	66,200
Special Events and Activities	16,455	42,500
Interest Income	-	-
Other miscellaneous	1,455	7,125
In Kind Contributions	12,360	
Total Support and Revenue	242,942	234,825
Expenses		
Program Services	106,898	96,602
Management and General	109,784	132,275
Fund Raising	21,000	5,200
Total Expenses	237,682	234,077
Increase (Decrease) in Net Assets	\$ 5,260	\$ 748