

**Youth & Opportunity United, Inc.
(formerly known as
Youth Organizations Umbrella, Inc.)**

**Financial Statements
(With Supplementary Information)
and Independent Auditor's Report**

June 30, 2015 and 2014

Youth & Opportunity United, Inc.
(formerly known as Youth Organizations Umbrella, Inc.)

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Independent Auditor's Report

To the Board of Directors
Youth & Opportunity United, Inc. (formerly known as Youth Organizations
Umbrella, Inc.)

Report on the Financial Statements

We have audited the accompanying financial statements of Youth & Opportunity United, Inc. (formerly known as Youth Organizations Umbrella, Inc.) (the "Corporation"), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities, functional expenses, 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Youth & Opportunity United, Inc. (formerly known as Youth Organizations Umbrella, Inc.) as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary schedules of funding sources - income and expenses are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2015, on our consideration of Youth & Opportunity United, Inc. (formerly known as Youth Organizations Umbrella, Inc.)'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Youth & Opportunity United, Inc. (formerly known as Youth Organizations Umbrella, Inc.)'s internal control over financial reporting and compliance.



Chicago, Illinois
November 30, 2015

Youth & Opportunity United, Inc.
(formerly known as Youth Organizations Umbrella, Inc.)

Statements of Financial Position
June 30, 2015 and 2014

	<u>Assets</u>	
	2015	2014
Current assets		
Cash and cash equivalents	\$ 530,576	\$ 272,618
Cash - restricted (capital campaign)	1,896,396	858,674
Cash - restricted (LAN reserve)	5,957	5,957
Cash - restricted	396,986	532,718
Accounts receivable, net	348,724	271,316
Promises to give - pledges, net	79,696	142,796
Promises to give - capital campaign	330,477	273,793
Other current assets	20,151	6,993
Total current assets	3,608,963	2,364,865
Fixed assets		
Land	1,058,040	450,000
Building and building improvements, net	87,867	91,985
Office furniture and equipment, net	26,617	7,234
Total fixed assets, net	1,172,524	549,219
Other assets		
Construction in progress	260,577	40,590
Total other assets	260,577	40,590
Total assets	\$ 5,042,064	\$ 2,954,674

Youth & Opportunity United, Inc.
(formerly known as Youth Organizations Umbrella, Inc.)

Statements of Financial Position
June 30, 2015 and 2014

Liabilities and Net Assets

	2015	2014
Current liabilities		
Current portion of mortgage payable	\$ 8,968	\$ 8,699
Accounts payable	165,700	109,913
Accrued salaries and related expenses	121,502	86,318
Accrued expenses	102,392	-
Accrued mortgage interest	1,642	1,642
Other liabilities	5,957	5,957
	406,161	212,529
Long-term liabilities		
Mortgage payable, net of current maturities	278,228	287,925
	278,228	287,925
Total liabilities	684,389	500,454
Net assets		
Unrestricted	746,218	598,478
Temporarily restricted	3,511,370	1,815,655
Permanently restricted	100,087	40,087
	4,357,675	2,454,220
Total liabilities and net assets	\$ 5,042,064	\$ 2,954,674

See Notes to Financial Statements.

Youth & Opportunity United, Inc.
(formerly known as Youth Organizations Umbrella, Inc.)

Statement of Activities
Year Ended June 30, 2015

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Operating activity				
Operating support and revenue				
Contributions	\$ 872,667	\$ 132,242	\$ -	\$ 1,004,909
Government revenue	2,187,571	-	-	2,187,571
United Way grant revenue	480,000	-	-	480,000
Donated services	46,001	-	-	46,001
Net assets released from restrictions	329,550	(329,550)	-	-
Net assets released from non-operating	161,236	-	-	161,236
Total operating support and revenue	<u>4,077,025</u>	<u>(197,308)</u>	<u>-</u>	<u>3,879,717</u>
Operating expenses				
Program services				
Youth and family services	<u>3,095,396</u>	<u>-</u>	<u>-</u>	<u>3,095,396</u>
Supporting services				
Management and general	506,803	-	-	506,803
Fundraising	<u>286,496</u>	<u>-</u>	<u>-</u>	<u>286,496</u>
Total supporting services	<u>793,299</u>	<u>-</u>	<u>-</u>	<u>793,299</u>
Total operating expenses	<u>3,888,695</u>	<u>-</u>	<u>-</u>	<u>3,888,695</u>
Increase in net assets from operations	<u>188,330</u>	<u>(197,308)</u>	<u>-</u>	<u>(8,978)</u>
Non-operating activity				
Non-operating support and revenue				
Contributions - capital campaign	-	1,408,760	60,000	1,468,760
Donated services and property	33,501	754,924	-	788,425
Net assets released from restrictions	<u>109,425</u>	<u>(270,661)</u>	<u>-</u>	<u>(161,236)</u>
Total non-operating support and revenue	<u>142,926</u>	<u>1,893,023</u>	<u>60,000</u>	<u>2,095,949</u>
Non-operating expenses				
Program services				
Youth and family services	111,925	-	-	111,925
Supporting services				
Fundraising	<u>71,591</u>	<u>-</u>	<u>-</u>	<u>71,591</u>
Total non-operating expenses	<u>183,516</u>	<u>-</u>	<u>-</u>	<u>183,516</u>
Increase in net assets from non-operating activity	<u>(40,590)</u>	<u>1,893,023</u>	<u>60,000</u>	<u>1,912,433</u>
Total increase in net assets	147,740	1,695,715	60,000	1,903,455
Net assets - beginning of year	<u>598,478</u>	<u>1,815,655</u>	<u>40,087</u>	<u>2,454,220</u>
Net assets - end of year	<u>\$ 746,218</u>	<u>\$ 3,511,370</u>	<u>\$ 100,087</u>	<u>\$ 4,357,675</u>

Youth & Opportunity United, Inc.
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Statement of Activities
Year Ended June 30, 2014

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Operating activity				
Operating support and revenue				
Contributions	\$ 751,114	\$ 357,385	\$ -	\$ 1,108,499
Government revenue	1,793,846	-	-	1,793,846
United Way grant revenue	450,605	29,395	-	480,000
Donated services	8,250	-	-	8,250
Other revenue	1,325	-	-	1,325
Net assets released from restrictions	222,610	(222,610)	-	-
Total operating support and revenue	<u>3,227,750</u>	<u>164,170</u>	<u>-</u>	<u>3,391,920</u>
Operating expenses				
Program services:				
Youth and family services	2,538,985	-	-	2,538,985
Supporting services:				
Management and general	320,038	-	-	320,038
Fundraising	296,675	-	-	296,675
Total supporting services	616,713	-	-	616,713
Total operating expenses	<u>3,155,698</u>	<u>-</u>	<u>-</u>	<u>3,155,698</u>
Increase in net assets from operations	<u>72,052</u>	<u>164,170</u>	<u>-</u>	<u>236,222</u>
Non-operating activity				
Non-operating support and revenue				
Contributions - capital campaign	-	1,028,632	-	1,028,632
Donated services and property	69,543	-	-	69,543
Transfer of net assets - capital campaign	(154,499)	154,499	-	-
Net assets released from restrictions	113,962	(113,962)	-	-
Total non-operating support and revenue	<u>29,006</u>	<u>1,069,169</u>	<u>-</u>	<u>1,098,175</u>
Non-operating expenses				
Program services				
Youth and family services	79,914	-	-	79,914
Supporting services				
Fundraising	63,000	-	-	63,000
Total non-operating expenses	<u>142,914</u>	<u>-</u>	<u>-</u>	<u>142,914</u>
Increase in net assets from non-operating activity	<u>(113,908)</u>	<u>1,069,169</u>	<u>-</u>	<u>955,261</u>
Total increase in net assets	(41,856)	1,233,339	-	1,191,483
Net assets - beginning of year	640,334	582,316	40,087	1,262,737
Net assets - end of year	<u>\$ 598,478</u>	<u>\$ 1,815,655</u>	<u>\$ 40,087</u>	<u>\$ 2,454,220</u>

Youth & Opportunity United, Inc.
(formerly known as Youth Organizations Umbrella, Inc.)

Statement of Functional Expenses
Year Ended June 30, 2015

	<u>Program services</u>	<u>Supporting services</u>		<u>Total</u>
	<u>Youth and family services</u>	<u>Management and general</u>	<u>Fundraising</u>	
Salaries and related expenses	2,096,201	\$ 247,595	\$ 214,791	\$ 2,558,587
Partner grants and awards	262,112	3,630	-	265,742
Supplies	243,761	44,561	832	289,154
Direct service providers	194,369	744	100	195,213
Contributed services	46,001	33,501	-	79,502
Communications	14,210	20,774	19,977	54,961
Transportation	59,053	5,032	300	64,385
Special events	-	6,168	42,341	48,509
Occupancy and insurance	72,721	39,149	6,815	118,685
Trainings and conferences	53,667	16,177	2,413	72,257
Professional fees	84,085	54,649	68,631	207,365
Mortgage interest expense	14,559	5,286	934	20,779
Depreciation	-	24,513	-	24,513
Miscellaneous expenses	66,582	5,024	953	72,559
Total functional expenses	<u>\$ 3,207,321</u>	<u>\$ 506,803</u>	<u>\$ 358,087</u>	<u>\$ 4,072,211</u>

Youth & Opportunity United, Inc.
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Statement of Functional Expenses
Year Ended June 30, 2014

	<u>Program services</u>		<u>Supporting services</u>		<u>Total</u>
	Youth and family services	Management and general	Fundraising		
Salaries and related expenses	\$ 1,713,923	\$ 120,781	\$ 190,228	\$ 2,024,932	
Partner grants and awards	247,014	-	19	247,033	
Supplies	189,858	21,428	2,570	213,856	
Direct service providers	27,722	-	-	27,722	
Contributed services	77,793	-	-	77,793	
Communications	16,702	20,345	20,468	57,515	
Transportation	35,776	376	319	36,471	
Special events	1,718	15,829	43,762	61,309	
Occupancy and insurance	54,187	20,789	5,745	80,721	
Trainings and conferences	37,327	8,412	1,266	47,005	
Professional fees	172,991	59,729	64,348	297,068	
Mortgage interest	14,769	4,923	-	19,692	
Depreciation	-	17,862	-	17,862	
Bad debt expense	10,098	17,183	28,623	55,904	
Miscellaneous expenses	19,021	12,381	2,327	33,729	
Total functional expenses	<u>\$ 2,618,899</u>	<u>\$ 320,038</u>	<u>\$ 359,675</u>	<u>\$ 3,298,612</u>	

Youth & Opportunity United, Inc.
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Statements of Cash Flows
Years Ended June 30, 2015 and 2014

	2015	2014
Cash flows from operating activities		
Increase in net assets	\$ 1,903,455	\$ 1,191,483
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	24,513	17,862
Amortization		
Bad debt	-	55,904
Contributions restricted for long-term purposes	(345,000)	-
Donation of land	(608,040)	-
Donated capitalized services	(146,884)	-
Write-off of construction in progress	62,090	15,932
Changes in assets and liabilities		
(Increase) decrease in		
Accounts receivable, net	(77,408)	(133,693)
Promises to give - pledges, net	63,100	(19,319)
Promises to give - capital campaign	(56,684)	(200,493)
Other current assets	(13,158)	(2,423)
Increase (decrease) in		
Accounts payable	55,787	33,861
Accrued salaries and related expenses	35,184	14,794
Accrued expenses	102,392	-
Other liabilities	-	3,820
	(904,108)	(213,755)
Total adjustments		
Net cash provided by operating activities	999,347	977,728
Cash flows from investing activities		
Construction in process	(135,193)	(40,590)
Purchases of fixed assets	(39,778)	(8,903)
Net cash used in investing activities	(174,971)	(49,493)

Youth & Opportunity United, Inc.
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Statements of Cash Flows
Years Ended June 30, 2015 and 2014

	2015	2014
Cash flows from financing activities		
Collections of contributions restricted for long-term purposes - capital campaign		
Contributions restricted to long-lived assets	285,000	-
Contributions restricted to long-lived endowment	60,000	-
Payments on mortgage payable	(9,428)	(8,191)
Net cash used in financing activities	335,572	(8,191)
Net increase in cash	1,159,948	920,044
Cash, cash equivalents, and restricted cash, beginning of year	1,669,967	749,923
Cash, cash equivalents, and restricted cash, end of year	\$ 2,829,915	\$ 1,669,967
Supplemental disclosure of cash flow information		
Cash paid for interest	\$ 20,779	\$ 19,692

Youth & Opportunity United, Inc.
(formerly known as Youth Organizations Umbrella, Inc.)

Notes to Financial Statements
June 30, 2015 and 2014

Note 1 - Organization

Youth & Opportunity United, Inc. (formerly known as Youth Organizations Umbrella, Inc.) ("Y.O.U." or the "Corporation") was organized under the Illinois General Not-For-Profit Corporation Act exclusively for charitable purposes under Section 501(c)(3) of the Internal Revenue Code. Y.O.U. is a human service agency that assists youths and their families in developing and sustaining behavioral and emotional health through community based services. For the years ended June 30, 2015 and 2014, Y.O.U. received 45% and 51%, respectively, of its income in grants from government agencies. The remainder of its support came from contributions by corporations, foundations, individuals, and special events.

Note 2 - Summary of significant accounting policies

Basis of presentation

Y.O.U. conforms with accounting guidance for Financial Statements of Not-for-Profit Organizations. Y.O.U. is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. Additionally, information is required to segregate program service expenses from support service expenses. Support expenses include administrative activities such as, management and general, and fundraising, except for the direct conduct of program services.

The net assets of Y.O.U. are classified as follows:

- Unrestricted represents the portion of expendable net assets that are available for operations.
- Temporarily restricted represents income that has been temporarily restricted by the donor as to its usage.
- Permanently restricted represents funds that have been restricted by the donor as to it being retained in perpetuity.

Income taxes

Y.O.U. is a not-for-profit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, Y.O.U. qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an organization other than a private foundation under Section 509(a)(1) of the Internal Revenue Code. Y.O.U. had no unrelated business income for the years ended June 30, 2015 and 2014. Income tax returns filed by the corporation are subject to examination by the Internal Revenue Service for a period of three years. While no income tax returns are currently being examined by the Internal Revenue Service, tax years since June 30, 2012 remain open.

Youth & Opportunity United, Inc.
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Notes to Financial Statements
June 30, 2015 and 2014

Cash and cash equivalents

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

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 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Accounts receivable, promises to give to the Corporation and bad debts

Accounts receivable and promises to give are reported net of an allowance for doubtful accounts. Management's estimate of the allowance is based on historical collection experience and a review of the current status of accounts receivable and promises to give. It is reasonably possible that management's estimate of the allowance will change.

Revenue recognition

Contributions received are recorded as increases in unrestricted, temporarily restricted or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if restrictions expire in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

All grants received by the Corporation are conditional promises to give and are recognized as revenue when the conditions stated in the various agreements have been met. Grants are considered to be available for unrestricted use unless specifically restricted by donors. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities or expenses depending on the form of benefit received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Special event revenue is recorded when received and is generally cash received; however, revenue under this caption could also be recognized in the form of a promise to give. This revenue is classified as either unrestricted or temporarily restricted net assets depending on donor stipulations.

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Notes to Financial Statements
June 30, 2015 and 2014

In-kind services are recognized when services are performed. In-kind services are considered to be available for unrestricted use.

Functional allocation of expenses

Functional expenses have been allocated based on analysis of personnel time, space utilized, program risks, historic trends and/or actual expenses for the related activities.

Capitalization and depreciation

Land, building, building improvements, and office furniture and equipment are recorded at cost or if donated, at estimated fair value at date of acquisition. Improvements are capitalized, while expenditures for maintenance and repairs are expensed. The assets are depreciated over their estimated service lives. The estimated service lives of the assets for depreciation purposes may be different than their actual economic useful lives.

	<u>Estimated life</u>	<u>Method</u>
Building	15 years	Straight-line
Building improvements	5 - 15 years	Straight-line
Office furniture and equipment	3 - 7 years	Straight-line

Construction in progress

Costs incurred for construction in progress are capitalized when incurred. If at any time management determines that the costs incurred would no longer provide a future benefit to the Corporation the costs are expensed in the period in which that determination is made.

Impairment of long-lived assets

Y.O.U. reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by the property are less than its carrying amount, management compares the carrying amount of the property to its fair value in order to determine whether an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. No impairment loss has been recognized during the fiscal years ended June 30, 2015 or 2014.

Advertising

Advertising costs are charged to operations as they are incurred.

Operating leases

Operating lease payments are recorded at actual costs at the time the lease payments are due. Accounting principles generally accepted in the United States of America require that operating lease payments be amortized over the term of the lease using the straight-line method; however, the effect of recording lease payments at actual cost at the time the lease payments are due is not materially different from the results that would have been obtained under the straight-line method.

Youth & Opportunity United, Inc.
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Notes to Financial Statements
June 30, 2015 and 2014

Reclassifications

Reclassifications have been made to the prior year balances to conform to the current year presentation. Such reclassifications were made for comparative purposes only, and do not restate the prior year financial statements.

Note 3 - Promises to give

Promises to give are classified as temporarily restricted until received. As of June 30, 2015 and 2014, promises to give of \$431,657 and \$456,589 were receivable, respectively. As of June 30, 2015 and 2014, the allowance for doubtful accounts relating to promises to give was \$21,484 and \$40,000, respectively.

The difference between the actual amount to be received and the present value of the promise is immaterial; therefore, no adjustment has been made. All pledges receivable as of June 30, 2015 and 2014 are receivable within one to two years and are classified as current assets.

Note 4 - Fixed assets and construction in progress

Fixed assets are recorded at cost. Fixed assets consist of the following as of June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Land	\$ 1,058,040	\$ 450,000
Building	165,968	153,808
Building improvements	15,597	15,597
Office furniture and equipment	<u>83,564</u>	<u>55,946</u>
Total	1,323,169	675,351
Less: Accumulated depreciation	<u>(150,645)</u>	<u>(126,132)</u>
Net book value	<u>\$ 1,172,524</u>	<u>\$ 549,219</u>

Depreciation expense for the years ended June 30, 2015 and 2014 was \$24,513 and \$17,862, respectively.

In 2009, management decided to pursue a capital building project of the Corporation's facility at 1027 Sherman Avenue. Costs incurred in connection with this project were being capitalized as incurred. During the year ended June 30, 2014, management decided to pursue a new capital building project for a building at 1101 Dodge Avenue which will become the new office building. During 2014, costs previously incurred and capitalized on the 1027 Sherman Avenue building of \$15,932 were expensed in conjunction with this decision. During 2015, the Corporation received a donation of land to be used as their new headquarters at a location of 1911 Church Street. At this time, management decided to abandon the original plans of 1101 Dodge Avenue and \$62,090 of costs related to that

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Notes to Financial Statements
June 30, 2015 and 2014

parcel of land were expensed in conjunction with this decision. As of June 30, 2015 and 2014 amounts recorded in construction in progress were \$260,577 and \$40,590, respectively. The amounts in construction in progress as of June 30, 2015 and 2014 only relate to costs incurred in connection with building plans still anticipated to be pursued at that time.

Note 5 - Donated property and equipment and in-kind services

Donations of property and equipment are recorded as financial support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Conditional transfers of assets are recognized when the conditions on which they depend are substantially met.

Donations of in-kind services are recorded if they create or enhance a nonfinancial asset or are specialized skills that would be purchased if they were not donated. During the fiscal year ended June 30, 2015, Y.O.U. received land with a fair market value of \$608,040 in conjunction with the capital campaign. During the fiscal years ended June 30, 2015 and 2014, Y.O.U. received legal, architectural, and clinical supervision services with a value of \$226,386 and \$77,793, respectively. The value of such services is included as donated services in the accompanying statements of activities. In addition, Y.O.U. received 1,551 and 1,252 hours of volunteer service for the years ended June 30, 2015 and 2014, respectively, which are not considered specializing or enhancing to a non-financial asset and are not recorded in the financial statements.

Note 6 - Restricted cash

Capital campaign

Donations made under the capital campaign have been classified as restricted cash and temporarily restricted net assets. This is a three-year campaign estimated to raise \$15 million in two phases for building a new facility (see Note 4), programming, and financial sustainability. These donations will be temporarily restricted until the stipulations surrounding their use have been achieved. These donations, when received, have been segregated into a separate cash account. As of June 30, 2015 and 2014, \$1,896,396 and \$858,674, respectively, has been classified as capital campaign restricted cash.

LAN reserve

Y.O.U. is a member of a network of social service agencies that receive funds from the State of Illinois for various social service functions. Y.O.U. also acts as the fiscal agent for the network. The amounts on the statements of financial position represent funds remaining in the custody of the network and are to be distributed upon member requests. The amounts on the statements of activities represent the income earned for services rendered by Y.O.U. to the network. As of June 30, 2015 and 2014, \$5,957 and \$5,957, respectively, has been classified as the LAN reserve.

Youth & Opportunity United, Inc.
(formerly known as Youth Organizations Umbrella, Inc.)

Notes to Financial Statements
June 30, 2015 and 2014

Other

Certain private donations have been classified as restricted cash and temporarily restricted net assets. These donations, when received, have been segregated into a separate cash account. As of June 30, 2015 and 2014, \$396,986 and \$532,718, respectively, has been classified as other restricted cash.

Note 7 - Long-term debt

The mortgage note is held by First Bank and Trust in the original amount of \$307,972 and is dated December 1, 2012. The note carried a 6.48% interest rate and monthly payments of principal and interest are due. Subsequent to year end, the mortgage note was modified for a more favorable interest rate of 4.950% and the maturity date remains December 1, 2016. The note is based on a 25-year amortization schedule, and upon maturity, any unpaid principal and interest is due. The note is collateralized by the 1027 Sherman Avenue property. As of June 30, 2015 and 2014, the mortgage payable balance is \$287,196 and \$296,624, respectively.

Aggregate annual maturities are as follows:

Year ended June 30, 2016	\$	8,968
2017		<u>278,228</u>
Total	\$	<u><u>287,196</u></u>

Note 8 - Line of credit

Y.O.U. has a line of credit with First Bank and Trust in the amount of \$150,000. Interest is payable monthly at the Prime Rate plus 0.5%, subject to a 5% minimum. The Prime Rate plus 0.5% was 3.75% as of June 30, 2015 and 2014. The line of credit is collateralized by the business assets of Y.O.U. As of June 30, 2015 and 2014, no amounts were drawn against the line of credit. The line of credit expires on May 24, 2016.

Youth & Opportunity United, Inc.
(formerly known as Youth Organizations Umbrella, Inc.)

Notes to Financial Statements
June 30, 2015 and 2014

Note 9 - Temporarily restricted net assets

A summary of the temporarily restricted net assets account activity for the fiscal years ended June 30, 2015 and 2014 are as follows:

	2015			
	Beginning balance	Additions	Releases	Ending balance
Net assets - temporarily restricted	\$ 1,815,655	\$ 2,295,926	\$ 600,211	\$ 3,511,370
	2014			
	Beginning balance	Additions	Releases	Ending balance
Net assets - temporarily restricted	\$ 582,316	\$ 1,569,911	\$ 336,572	\$ 1,815,655

Net assets are released from restrictions when the stipulated conditions have been met.

Note 10 - Cost-sharing obligation and lease expenses

Y.O.U. entered into a cost sharing agreement for program space at Grace Lutheran Church (the "Lessor") in Evanston, Illinois on September 1, 2007. The original agreement expired on October 31, 2013 and was renewed for the period November 1, 2013 through October 31, 2015. Monthly fixed program costs are \$1,800. Cost-sharing expenses for each of the fiscal years ended June 30, 2015 and 2014 were \$21,600 and \$21,000, respectively.

Y.O.U. entered into a lease agreement for program space at Renew Management Services (the "Lessor") in Evanston, Illinois on February 20, 2015. Monthly fixed program costs are \$2,400 from March 1, 2015 through February 28, 2016. After the initial year, the costs increase to \$2,475 from March 1, 2016 through March 31, 2017. Lease expenses for each of the fiscal years ended June 30, 2015 and 2014 were \$9,600 and \$0, respectively. Estimated future lease payments are as follows:

Year ended June 30, 2016	\$	36,300
2017		22,275
Total	\$	58,575

Note 11 - Concentration of revenue

A substantial portion of Y.O.U.'s revenue is from one and two grantors during the fiscal years ended June 30, 2015 and 2014, respectively. Substantial revenue is defined as revenue earned from any individual source that is in excess of 10% of the total revenue for a given year. For the years ended June 30, 2015 and 2014, revenue received from those grantors was \$1,331,222, or 22% of total revenue, and \$1,314,259, or 29% of total revenue, respectively.

Youth & Opportunity United, Inc.
(formerly known as Youth Organizations Umbrella, Inc.)

Notes to Financial Statements
June 30, 2015 and 2014

Note 12 - Subsequent events

Events that occur after the statement of financial position date, but before the financial statements were available to be issued, must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of financial position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of financial position date require disclosure in the accompanying notes. Management evaluated the activity of Y.O.U. through November 30, 2015 (the date the financial statements were available to be issued) and except for the following matters, concluded that no subsequent events have occurred that would require recognition in the financial statements.

On July 31, 2015, the Company filed an amendment to its articles of incorporation and changed the legal name of Youth Organizations Umbrella, Inc. to Youth & Opportunity United, Inc.

Supplementary Information

**Youth & Opportunity United
(formerly known as Youth Organizations Umbrella, Inc.)**

**Schedule of Funding Sources - Income and Expenses
June 30, 2015**

	General	21st Century Learning	Americorps	DHS / CCBYS	Department of Justice	DHS / Street Outreach	DHS / Teen Reach	ISBE Nutrition and Wellness	Scharp	Chicago United Way	Capital Campaign	Total
Income												
City of Evanston	\$ 96,328	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 96,328
United Way	-	-	-	-	-	-	-	-	-	480,000	-	480,000
DHS - Basic Center	-	-	-	-	-	-	-	-	197,323	-	-	197,323
DHS - Street Outreach	-	-	-	-	-	158,374	-	-	-	-	-	158,374
School District #65	76,083	-	-	-	-	-	-	-	-	-	-	76,083
DHS - Americorps	-	-	130,860	-	-	-	-	-	-	-	-	130,860
DHS - CCBYS	-	-	-	58,460	-	-	-	-	-	-	-	58,460
DHS - Teen Reach	-	-	-	-	-	-	65,190	-	-	-	-	65,190
21st Century Learning	-	1,184,877	-	-	-	-	-	-	-	-	-	1,184,877
America Reads Program	2,374	18,030	-	-	-	-	104	-	-	1,377	-	21,885
Department of Justice	-	-	-	-	127,929	-	-	-	-	-	-	127,929
Private donations	718,293	-	-	-	-	-	-	-	-	-	1,468,760	2,187,053
ISBE Nutrition	-	-	-	-	-	-	-	61,227	-	-	-	61,227
ISBE Wellness	-	-	-	-	-	-	-	9,035	-	-	-	9,035
Donated services	46,001	-	-	-	-	-	-	-	-	-	788,425	834,426
Other income	286,616	-	-	-	-	-	-	-	-	-	-	286,616
Total income	1,225,695	1,202,907	130,860	58,460	127,929	158,374	65,294	70,262	197,323	481,377	2,257,185	5,975,666
Expenses												
Salaries and related expenses	726,044	932,783	131,758	60,043	63,283	86,082	34,822	-	67,621	456,151	-	2,558,587
Partner grants and awards	6,870	-	-	3,000	25,086	72,561	28,680	-	129,545	-	-	265,742
Supplies	90,930	65,108	-	-	14,473	-	-	83,797	-	32,244	2,602	289,154
Direct service providers	27,172	147,505	-	-	-	-	1,500	200	-	18,836	-	195,213
Contributed services	46,001	-	-	-	-	-	-	-	-	-	33,501	79,502
Communications	48,691	-	-	-	378	-	-	-	-	5,693	199	54,961
Transportation	23,683	37,045	-	-	-	-	-	914	-	2,743	-	64,385
Special events	43,218	-	-	-	-	-	-	-	-	-	5,291	48,509
Occupancy and insurance	83,080	8,045	1,174	506	530	746	292	-	565	13,337	10,410	118,685
Trainings and conferences	35,809	4,373	-	-	20,450	-	-	1,110	-	8,787	1,728	72,257
Professional fees	94,740	16,500	-	-	3,500	-	-	-	-	25,825	66,800	207,365
Mortgage interest expense	19,401	-	-	-	-	-	-	-	-	1,378	-	20,779
Miscellaneous expenses	9,630	-	-	-	-	-	-	-	-	-	62,929	72,559
Total before depreciation	1,255,269	1,211,359	132,932	63,549	127,700	159,389	65,294	86,021	197,731	564,994	183,460	4,047,698
Depreciation	24,513	-	-	-	-	-	-	-	-	-	-	24,513
Total expenses	1,279,782	1,211,359	132,932	63,549	127,700	159,389	65,294	86,021	197,731	564,994	183,460	4,072,211
Increase (decrease) in net assets	\$ (54,087)	\$ (8,452)	\$ (2,072)	\$ (5,089)	\$ 229	\$ (1,015)	\$ -	\$ (15,759)	\$ (408)	\$ (83,617)	\$ 2,073,725	\$ 1,903,455

**Youth & Opportunity United
(formerly known as Youth Organizations Umbrella, Inc.)**

**Schedule of Funding Sources - Income and Expenses
June 30, 2014**

	General	City of Evanston	21st Century Learning	Americorps	DHS / CCBYS	Department of Justice	DHS / Street Outreach	DHS / Teen Reach	ISBE Nutrition	ICJIA	Scharp	Chicago United Way	Capital Campaign	Total
Income														
City of Evanston	\$ -	\$ 95,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 95,000
United Way	-	-	-	-	-	-	-	-	-	-	-	480,000	-	480,000
DHS - Basic Center	-	-	-	-	-	-	-	-	-	-	202,193	-	-	202,193
DHS - Street Outreach	-	-	-	-	-	-	189,047	-	-	-	-	-	-	189,047
School District #65	25,000	-	-	-	-	-	-	-	-	-	-	1,985	-	26,985
DHS- Americorps	-	-	-	108,339	-	-	-	-	-	-	-	-	-	108,339
DHS - CCBYS	-	-	-	-	61,582	-	-	-	-	-	-	-	-	61,582
ICJIA	-	-	-	-	-	-	-	-	-	137,400	-	-	-	137,400
DHS - Teen Reach	-	-	-	-	-	-	-	103,494	-	-	-	-	-	103,494
21st Century Learning	-	-	764,580	-	-	-	-	-	-	-	-	-	-	764,580
Work Study Program	-	-	600	-	-	-	-	-	-	-	-	-	-	600
Public Allies Chicago	300	-	-	-	-	-	-	-	-	-	-	-	-	300
America Reads Program	-	-	18,239	-	-	-	-	6,241	-	-	-	4,447	-	28,927
Department of Justice	-	-	-	-	-	32,705	-	-	-	-	-	-	-	32,705
Private donations	1,106,919	-	-	-	-	-	-	-	-	-	-	-	1,028,632	2,135,551
ISBE Nutrition	-	-	-	-	-	-	-	-	42,694	-	-	-	-	42,694
Donated services	8,250	-	-	-	-	-	-	-	-	-	-	-	69,543	77,793
Other income	2,568	220	-	-	-	-	-	-	-	-	-	117	-	2,905
Total income	1,143,037	95,220	783,419	108,339	61,582	32,705	189,047	109,735	42,694	137,400	202,193	486,549	1,098,175	4,490,095
Expenses														
Salaries and related expenses	364,661	115,871	645,910	110,526	57,343	26,261	108,920	79,855	-	102,923	79,034	333,628	-	2,024,932
Partner awards and grants	1,920	2,813	-	-	6,644	4,004	79,543	23,455	-	-	123,740	4,914	-	247,033
Supplies	55,367	23,005	48,398	31	2	28	82	11	49,914	11,818	5	23,998	1,197	213,856
Direct service providers	27,722	-	-	-	-	-	-	-	-	-	-	-	-	27,722
Contributed services	8,250	-	-	-	-	-	-	-	-	-	-	-	69,543	77,793
Communications	47,729	2,154	917	168	373	-	45	146	-	-	81	5,787	115	57,515
Transportation	7,268	3,293	21,574	-	1,036	53	1,124	5	-	319	593	1,198	8	36,471
Special events	59,592	-	-	-	-	-	-	-	-	-	-	-	1,717	61,309
Occupancy and insurance	51,985	1,184	6,597	1,712	567	178	795	904	-	760	829	8,573	6,637	80,721
Trainings and conferences	15,965	5,070	7,156	-	25	2,408	385	-	-	525	892	13,882	696	47,005
Professional fees	77,533	5,973	82,983	-	-	-	400	1,644	-	29,577	-	63,680	63,000	297,068
Mortgage interest	7,363	12,329	-	-	-	-	-	-	-	-	-	-	-	19,692
Bad debt	49,580	-	-	-	4,538	-	-	-	-	-	1,785	-	-	55,904
Miscellaneous expenses	30,821	1,474	-	-	-	-	-	-	-	59	-	1,375	-	33,729
Total before depreciation	805,756	173,166	813,535	112,437	70,528	32,932	191,294	106,020	49,914	145,982	206,961	457,034	142,913	3,280,750
Depreciation	1,608	16,254	-	-	-	-	-	-	-	-	-	-	-	17,862
Total expenses	807,364	189,420	813,535	112,437	70,528	32,932	191,294	106,020	49,914	145,982	206,961	457,034	142,913	3,298,612
Increase (decrease) in net assets	\$ 335,673	\$ (94,200)	\$ (30,116)	\$ (4,098)	\$ (8,946)	\$ (227)	\$ (2,247)	\$ 3,715	\$ (7,220)	\$ (8,582)	\$ (4,768)	\$ 29,515	\$ 955,262	\$ 1,191,483

**Youth & Opportunity United
(formerly known as Youth Organizations Umbrella, Inc.)**

**Schedule of Expenditures of Federal Awards
June 30, 2015**

Federal Grantor / (Pass-through Grantor) / Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services:			
Basic Center Program (Note B)	93.623	N/A - Direct	\$ 197,323
Street Outreach Program (Note B)	93.557	N/A - Direct	158,374
Illinois Department of Human Services			
Comprehensive Community Based Youth Services	93.667	FCSTR01044	12,984
Teen Reach (Note B)	93.558	FCSRE01014	-
		Subtotal	<u>368,681</u>
Corporation for National & Community Service:			
Illinois Department of Human Services			
Americorps	94.006	FCSSP03261	11,857
Illinois Department of Public Health			
Americorps	94.006	573800026C	119,003
		Subtotal	<u>130,860</u>
Department of Justice:			
Office on Violence Against Women			
Allied Against Violence (Note B)	16.888	N/A - Direct	127,929
Department of Education:			
Illinois State Board of Education			
Loyola America Reads Program	84.033	N/A	21,885
21st Century Community Learning Centers - ETHS	84.287C	2014-4421-65-108-1220-51-12	34,274
21st Century Community Learning Centers - ETHS	84.287C	2015-4421-35-65-108-1220-51	85,675
21st Century Community Learning Centers - Lincoln	84.287C	2014-4421-65-108-1220-51-13	26,598
21st Century Community Learning Centers - Lincoln	84.287C	2015-4421-13-65-108-1220-51	121,678
21st Century Community Learning Centers - King Lab	84.287C	2014-4421-65-108-1220-51-31	26,876
21st Century Community Learning Centers - King Lab	84.287C	2015-4421-31-65-108-1220-51	127,133
21st Century Community Learning Centers - Dawes	84.287C	2014-4421-65-108-1220-51-32	14,946
21st Century Community Learning Centers - Dawes	84.287C	2015-4421-32-65-108-1220-51	97,224
21st Century Community Learning Centers - Chute, Oakton, Walker	84.287C	2015-4421-25-65-108-1220-51	287,765
21st Century Community Learning Centers - Nichols, Old Orchard, Washington, Edison	84.287C	2015-4421-15-65-108-1220-51	362,708
		Subtotal	<u>1,184,877</u>
Department of Agriculture:			
Illinois State Board of Education			
Child and Adult Care Food Program (Wellness)	10.558	65-108-1220-51	9,035
Child and Adult Care Food Program (Nutrition)	10.558	65-108-1220-51	61,227
		Subtotal	<u>70,262</u>
			<u>\$ 1,904,494</u>

Note A: The accompanying schedule of expenditures of federal awards includes the federal grant activity of Youth & Opportunity United, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organization." Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note B: Of the federal expenditures presented in the accompanying schedule of expenditures of federal awards, Youth & Opportunity United, Inc. provided federal awards to subrecipients as follows:

Program Name	CFDA Number	Amount Provided
Basic Center Program	93.623	\$ 129,545
Street Outreach Program	93.557	\$ 72,561
Teen Reach	93.558	\$ 28,680
Allied Against Violence	16.888	\$ 25,087

Note C: No amounts in the schedule of expenditures of federal awards above were expended in the form of non-cash assistance, insurance in force, or for loans and loan guarantees outstanding at year-end.

Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit
of Financial Statements Performed in Accordance with
Government Auditing Standards

To the Board of Directors

Youth & Opportunity United, Inc. (formerly known as Youth Organizations Umbrella, Inc.)

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Youth & Opportunity United, Inc. (formerly known as Youth Organizations Umbrella, Inc.), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 30, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Youth & Opportunity United, Inc. (formerly known as Youth Organizations Umbrella, Inc.)'s internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Youth & Opportunity United, Inc. (formerly known as Youth Organizations Umbrella, Inc.)'s internal control. Accordingly, we do not express an opinion on the effectiveness of Youth & Opportunity United, Inc. (formerly known as Youth Organizations Umbrella, Inc.)'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control, that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Youth & Opportunity United, Inc. (formerly known as Youth Organizations Umbrella, Inc.)'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Cohn Reznick LLP".

Chicago, Illinois
November 30, 2015

Independent Auditor's Report on Compliance for Major Federal Program and
on Internal Control over Compliance Required by OMB Circular A-133

To the Board of Directors

Youth & Opportunity United, Inc. (formerly known as Youth Organizations Umbrella, Inc.)

Report on Compliance for Major Federal Program

We have audited Youth & Opportunity United, Inc. (formerly known as Youth Organizations Umbrella, Inc.)'s compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on Youth & Opportunity United, Inc. (formerly known as Youth Organizations Umbrella, Inc.)'s major federal program for the year ended June 30, 2015. Youth & Opportunity United, Inc. (formerly known as Youth Organizations Umbrella, Inc.)'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Youth & Opportunity United, Inc. (formerly known as Youth Organizations Umbrella, Inc.)'s major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Youth & Opportunity United, Inc. (formerly known as Youth Organizations Umbrella, Inc.)'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Youth & Opportunity United, Inc. (formerly known as Youth Organizations Umbrella, Inc.)'s compliance.

Opinion on Major Federal Program

In our opinion, Youth & Opportunity United, Inc. (formerly known as Youth Organizations Umbrella, Inc.) complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2015.

Report on Internal Control over Compliance

Management of Youth & Opportunity United, Inc. (formerly known as Youth Organizations Umbrella, Inc.) is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Youth & Opportunity United, Inc. (formerly known as Youth Organizations Umbrella, Inc.)'s internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Youth & Opportunity United, Inc. (formerly known as Youth Organizations Umbrella, Inc.)'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of our testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Chicago, Illinois
November 30, 2015

Youth & Opportunity United
(formerly known as Youth Organizations Umbrella, Inc.)

Schedule of Findings and Questioned Costs
June 30, 2015

A. Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on the financial statements of Youth & Opportunity United, Inc. (formerly known as Youth Organizations Umbrella, Inc.).
2. No significant deficiencies related to the audit of the financial statements were reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. No material weaknesses were reported.
3. No instances of noncompliance material to the financial statements of Youth & Opportunity United, Inc. (formerly known as Youth Organizations Umbrella, Inc.) were disclosed during the audit.
4. No significant deficiencies related to the audit of the major federal award programs were disclosed in the Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by OMB Circular A-133. No material weaknesses were reported.
5. The auditor's report on compliance for the major federal award programs for Youth & Opportunity United, Inc. (formerly known as Youth Organizations Umbrella, Inc.) expresses an unmodified opinion.
6. There are no audit findings or questioned costs relative to the major federal award program required to be reported under Section 510(a) of OMB Circular A-133 for Youth & Opportunity United, Inc. (formerly known as Youth Organizations Umbrella, Inc.).
7. The program tested as a major program included: Illinois State Board of Education: 21st Century Community Learning Centers Program, CFDA 84.287C.
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. Youth & Opportunity United, Inc. (formerly known as Youth Organizations Umbrella, Inc.) qualifies as a low-risk auditee.

B. Findings and Questioned Costs - Financial Statements Audit

None

C. Findings and Questioned Costs - Major Federal Award Programs Audit

None

**Youth & Opportunity United
(formerly known as Youth Organizations Umbrella, Inc.)**

**Schedule of Prior Year Findings
June 30, 2015**

No prior year findings.