GLEN ELLYN CHILDREN'S RESOURCE CENTER
GLEN ELLYN, IL

AUDITED FINANCIAL STATEMENTS
AUGUST 31, 2018 AND 2017

SYKORA & COMPANY, LLC
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GLEN ELLYN CHILDREN'S RESOURCE CENTER

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
GLEN ELLYN CHILDREN'S RESOURCE CENTER
GLEN ELLYN, IL

We have audited the accompanying financial statements of Glen Ellyn Children's Resource Center (the Center), which comprise the statement of financial position as of August 31, 2018 and 2017, and the related statements of activities, cash flows and functional expenses 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 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 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.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Center as of August 31, 2018 and 2017, and the change 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.

Report on Supplementary Information

Our Audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses on pages 13 and 14 are presented for purposes of additional analysis and are 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 audit 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, an 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 taken as a whole.

Sykora + Company

Sykora & Company, LLC
Certified Public Accountants
Oakbrook Terrace, Illinois

December 20, 2018

GLEN ELLYN CHILDREN'S RESOURCE CENTER
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2018 AND 2017

ASSETS

	2018	2017
Current Assets		
Cash	$ 344,119	$ 284,888
Total Assets	$ 344,119	$ 284,888

LIABILITIES & NET ASSETS

	2018	2017
Current Liabilities		
Salaries, withholding, and related employee benefits	$ 3,183	$ 5,977
Total Liabilities	3,183	5,977
Net Assets		
Unrestricted	340,933	278,911
Temporarily restricted	0	0
Permanently restricted	0	0
Total Net Assets	340,933	278,911
Total Liabilities and Net Assets	$ 344,119	$ 284,888

See Independent Auditors' Report
The Accompanying Notes are an Integral Part
of these Financial Statements

GLEN ELLYN CHILDREN'S RESOURCE CENTER
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED AUGUST 31, 2018 AND 2017

	2018	2017
SUPPORT AND REVENUE:		
Contributions		
Individual contributions	$ 167,631	$ 116,564
Foundation and corporate grants	116,160	122,971
Donated goods and services	128,785	105,770
Special events	34,765	32,587
Miscellaneous	16	961
Interest income	386	331
Total support and revenue	$ 447,743	$ 379,184
EXPENSES:		
Program services	$ 329,858	$ 292,357
Management and general	38,703	29,968
Fundraising	17,160	14,335
Total expenses	385,721	336,660
CHANGE IN NET ASSETS	62,022	42,524
NET ASSETS, Beginning of year	278,911	236,387
NET ASSETS, End of year	$ 340,933	$ 278,911

See Independent Auditors' Report
The Accompanying Notes are an Integral Part
of these Financial Statements

GLEN ELLYN CHILDREN'S RESOURCE CENTER
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2018 AND 2017

	2018	2017
Beginning Cash	$ 284,888	$ 240,344
Cash from Operations	62,022	42,524
Change in assets and liabilities		
Increase (decrease) in accrued payroll and payroll taxes	(2,791)	2,020
Ending Cash	$ 344,119	$ 284,888

See Independent Auditors' Report
The Accompanying Notes are an Integral Part
of these Financial Statements

GLEN ELLYN CHILDREN'S RESOURCE CENTER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2018 AND 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

Glen Ellyn Children's Resource Center (the Center) is a not-for-for profit corporation whose purpose is to provide a range of services to income elementary and middles school youth through the operation of an after-school Center. The Center provides the youth a safe place for positive activities such as homework help, tutoring programs, crafts, sports, clubs and supervised recreation. The Center also provides children and parents with additional educational and cultural activities.

The Center was incorporated on December 26, 2003 with the name Glen Ellyn Community Resources Center. The name was changed to its present name in November, 2008.

The following is a brief summary of the accounting policies adopted by the Center.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting, which recognizes revenues as they are earned and expensed as they are incurred.

Financial Statement Presentation

The Center is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. In addition, The Center is required to present a statement of cash flows.

Unrestricted net assets result from all activities either involving membership assessments or voluntary contributions in which no donor-imposed restrictions were stipulated beyond the general stated purposes of The Center. Unrestricted net assets consist of two categories; undesignated and designated. Undesignated funds are available for any purpose within the scope of The Center's activities. Designated funds can be appropriated by the Board of Directors for a specific activity or group of activities.

Temporarily or permanently restricted net asset classes are created only by donor-imposed restrictions on their use. When a donor 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. Donor restricted contributions whose restrictions are satisfied in the same year are classified as unrestricted contributions. At August 31, 2018 and 2017, The Center held no temporarily restricted or permanently restricted net assets.

It is The Center's policy to consider a donor restriction of, or for, long-lived assets satisfied when the asset is purchased and placed into service.

NOTE A - 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 (U.S. GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentration of Credit Risk

Cash and cash equivalents consist of deposit accounts with a single financial institution. The demand deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC). The Center had uninsured deposits of cash at its bank depositories in the amount of approximately $0 and $0 at August 31, 2018 and 2017.

Cash and Cash Equivalents

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

Accounts Receivable

Contributions due in less than one year are recorded at their net realizable value upon receipt. Contributions due in more than one year are recorded at fair value on the date received. An allowance for doubtful collectibility is provided based on managements's evaluation of potential uncollectible promises at year end. No allowance was deemed necessary at August 31, 2018 and 2017.

Fair Value Measurements

U.S. GAAP defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy that prioritizes the inputs to valuation techniques. Fair value is the price that would be received to see an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3) described below:

> Level 1 - Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
>
> Level 2 - Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
>
> Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis, as well as the general classification of such instruments pursuant to the valuation hierarchy.

> *Common stocks*, corporate bonds and U. S. government securities: Valued at the closing price reported on the active market on which the individual securities are traded.
>
> *Mutual funds*: Valued at the net asset value (NAV) of shares held by the Company at year end.

The Company had $0 in Level 1 assets at August 31, 2018 and 2017. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows and would generally be classified within Level 2 of the valuation hierarchy. The Company had $0 in Level 2 assets at August 31, 2018 and 2017. In certain cases where there is limited activity and less transparency around inputs to valuation, securities are classified within The Company had $0 in Level 2 assets at August 31, 2018 and 2017. The Company also had $0 in Level 3 assets at August 31, 2018 and 2017.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Property and equipment are stated at cost or, if donated, at the approximate fair market value at the date of donation. It is the policy of The Center to capitalize the cost of equipment which exceeds $500 with a useful life of three or more years. Maintenance and repairs are expensed as they are incurred. Depreciation expense is computed using the straight-line method over the estimated useful lives of the related assets, as follows:

Furniture and equipment	5 - 7 years
Software	3 years

Depreciation and amortization expense was $0 for the 12-month period ended August 31, 2018.

Unrestricted and Restricted Support and Revenue

All contributions, including unconditional promises to give, are considered to be available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditional on which they depend are substantially met. Amounts received that are donor restricted for future periods or for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported on the statement of activities as net assets release from restriction.

Gifts of property and equipment are reported as unrestricted support, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify restrictions 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 maintained, the Center reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Donated Services -

According to the Accounting Standards Codification for Contributions Received and Contributions Made, contributions of services are required to be recognized if the services received a) create or enhance non-financial assets or b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Goods and Services

Contributions of goods that are essential to the Center's purpose and services that would need to be purchased if not provided by donations are recorded at their fair values in the period in which they are received. The following donated goods and services revenue and the corresponding expenses are included in the accompanying statement of activities:

	2018	2017
Occupancy	$ 74,400	$ 73,650
Outside Services	8,320	7,650
Program and field trips	46,065	24,470
Total donated goods and services	$ 128,785	$ 105,770

The use of the facilities where the Center operates was donated by School District #41 and Red Crown Investments, LLC. which own the real property and most of the personal property at the site.

Amounts have been recognized as revenue and expenses in the accompanying financial statements for the fair market value of the donated facilities (approximately $74,400 for the year ended August 31, 2018). All operating and maintenance expense for the facilities are the responsibility of School District #41 and Red Crown Investments, LLC.

The donated facilities represent approximately 24.27% and 27.89% of total revenue for the years ended August 31, 2018 and 2017, respectively.

Income Taxes

The Association is organized as a not-for-profit corporation, and has obtained exemption from Federal and State income taxes under Section 501 (a) as described under Section 501(c)(3) of the U.S. Internal Revenue code. Accordingly, no provision for income tax has been established.

The Center has evaluated tax positions taken in the tax returns filed and has determined that there are no uncertain tax positions as defined by U.S. GAAP.

Currently, the 2015, 2016, 2017 and 2018 tax years are open and subject to examination by the Internal Revenue Service and Illinois Department of Revenue; however, The Center is not currently under audit nor has the Organization been contacted by any of these jurisdictions.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Advertising Expenses

These expenses are charged to operations as incurred. Advertising expense was $2,018 and $0 for the years ended August 31, 2018 and 2017, respectively.

Commitments:

As of August 31, 2015, the Center had entered into an operating lease agreement for the rental of its office in Glen Ellyn, Illinois with the expiration of the lease in February, 2016. Lease expense for the year ended August 31, 2018 was $3,000. There are no future minimum lease commitments. The lease has been on a month-to-month basis since March 1, 2016.

Reclassifications:

Certain items from the August 31, 2017 financial statements have been reclassified for presentation at August 31, 2018. These changes do not impact net assets or liabilities.

Management's Review of Subsequent Events

The date to which events occurring after August 31, 2018, the date of the most recent statement of financial position, have been evaluated for possible adjustment to the financial statements or disclosures is December 20, 2018, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

GLEN ELLYN CHILDREN'S RESOURCE CENTER
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED AUGUST 31, 2018 AND 2017

	Program Services	Management and General	Fund-raising	2018 Total Audited
Salaries and related expenses:				
Salaries and related expenses	$ 166,733	$ 30,911	$ 0	$ 197,644
Employee benefits	1,386	0	0	1,386
Payroll taxes	13,777	1,586	0	15,363
	181,896	32,497	0	214,393
Operating expenses:				
Fundraising	0	0	8,740	8,740
Insurance	4,711	0	0	4,711
Licenses and fees	1,507	0	0	1,507
Management and general	0	0	0	0
Marketing expense	0	0	8,420	8,420
Miscellaneous expense	248	0	0	248
Office expense	0	4,206	0	4,206
Occupancy - in kind	72,000	0	0	72,000
Postage	2,276	0	0	2,276
Printing	1,098	0	0	1,098
Professional fees	1,800	0	0	1,800
Program supplies	8,434	0	0	8,434
Programs and field trips	33,482	0	0	33,482
Rent	3,150	2,000	0	5,150
Telephone	3,092	0	0	3,092
Transportation	16,164	0	0	16,164
Total Operating Expenses	$ 147,962	$ 6,206	$ 17,160	$ 171,328
Total Functional Expenses	$ 329,858	$ 38,703	$ 17,160	$ 385,721

See Independent Auditors' Report

GLEN ELLYN CHILDREN'S RESOURCE CENTER
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED AUGUST 31, 2018 AND 2017

	Program Services	Management and General	Fund-raising	2017 Total Audited
Salaries and related expenses:				
Salaries and related expenses	$ 136,928	$ 25,385	$ 0	$ 162,313
Employee benefits	1,218	0	0	1,218
Payroll taxes	11,069	1,189	0	12,258
	149,215	26,574	0	175,789
Operating expenses:				
Fundraising	0	0	5,665	5,665
Insurance	4,768	0	0	4,768
Licenses and fees	1,412	0	0	1,412
Management and general	0	0	0	0
Marketing expense	0	0	8,670	8,670
Miscellaneous expense	8,207	0	0	8,207
Office expense	0	1,394	0	1,394
Occupancy - in kind	73,650	0	0	73,650
Postage	2,018	0	0	2,018
Printing	1,940	0	0	1,940
Professional fees	7,085	0	0	7,085
Program supplies	6,581	0	0	6,581
Programs and field trips	23,691	0	0	23,691
Rent	3,650	2,000	0	5,650
Telephone	2,882	0	0	2,882
Transportation	7,258	0	0	7,258
Total Operating Expenses	$ 143,142	$ 3,394	$ 14,335	$ 160,871
Total Functional Expenses	$ 292,357	$ 29,968	$ 14,335	$ 336,660

See Independent Auditors' Report