



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

B54999

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769


Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

April 21, 2020

Board of Directors  
Youth First, Inc.  
111 SE Third Street Suite 405  
Evansville, IN 47708

We have reviewed the audit report of Youth First, Inc., which was opined upon by Riney Hancock CPAs, Independent Public Accountants, for the period July 1, 2018 to June 30, 2019. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Youth First, Inc., as of June 30, 2019 and the results of its operations for the period then ended, on the basis of accounting described in the report.

The report is filed with this letter in our office as a matter of public record.

  
Paul D. Joyce, CPA  
State Examiner

*YOUTH FIRST, INC.*

*FINANCIAL STATEMENTS*

*Years Ended June 30, 2019 and 2018*

*(With Independent Auditor's Report Thereon)*

## CONTENTS

---

	<u>Pages</u>
Independent Auditor's Report	1
Financial Statements:	
Statements of Financial Position	2
Statements of Activities	3
Statements of Cash Flows	4
Statements of Functional Expenses	5
Notes to Financial Statements	6-13



INDEPENDENT AUDITOR'S REPORT

Board of Directors
Youth First, Inc.

We have audited the accompanying financial statements of Youth First, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 First, Inc. as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Evansville, Indiana
December 13, 2019

Riney Hancock CPAs PSC (handwritten signature)

www.rineyhancock.com - info@rineyhancock.com

2900 Veach Road, Suite 2 - Owensboro, Kentucky 42303 - 270-926-4540 - Fax: 270-926-1494

P.O. Box 255 - Henderson, Kentucky 42419-0255 - 270-827-5828 - Fax: 270-830-7500

313 Southeast First Street - Evansville, Indiana 47713 - 812-423-0300 - Fax: 812-423-6282

A member of Allinial Global - An association of legally independent firms

**YOUTH FIRST, INC.**

STATEMENTS OF FINANCIAL POSITION

June 30, 2019 and 2018

<b>ASSETS</b>	<u>2019</u>	<u>2018</u>
Current assets:		
Cash	\$ 849,712	\$ 556,937
Certificates of deposit, due within one year	682,061	873,536
Grants and accounts receivable	485,265	291,917
Other current assets	<u>76,628</u>	<u>48,579</u>
Total current assets	<u>2,093,666</u>	<u>1,770,969</u>
Certificates of deposit	212,076	110,138
Equipment:		
Cost	246,506	184,110
Accumulated depreciation	<u>(106,853)</u>	<u>(84,974)</u>
Equipment, net	<u>139,653</u>	<u>99,136</u>
Beneficial interest in assets held by community foundation	<u>11,670</u>	<u>11,421</u>
<b>Total assets</b>	<b><u>\$ 2,457,065</u></b>	<b><u>\$ 1,991,664</u></b>
 <b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Accounts payable	\$ 41,309	\$ 34,564
Accrued expenses	252,414	194,195
Deferred revenue	<u>9,309</u>	<u>-</u>
Total current liabilities	<u>303,032</u>	<u>228,759</u>
Net assets:		
Without donor restrictions	1,044,096	809,019
With donor restrictions	<u>1,109,937</u>	<u>953,886</u>
Total net assets	<u>2,154,033</u>	<u>1,762,905</u>
<b>Total liabilities and net assets</b>	<b><u>\$ 2,457,065</u></b>	<b><u>\$ 1,991,664</u></b>

See Notes to Financial Statements.

**YOUTH FIRST, INC.**

STATEMENTS OF ACTIVITIES

Years Ended June 30, 2019 and 2018

<b>Net assets without donor restrictions:</b>	<u>2019</u>	<u>2018</u>
Revenue and support:		
Contracted services	\$ 1,579,929	\$ 1,142,256
Federal and state grants	2,116,878	1,123,687
Contributions and other grants	484,293	264,397
Special events	245,849	363,896
Interest income	16,041	12,488
Change in beneficial interest in assets held by community foundation	<u>249</u>	<u>309</u>
Total revenue and support	4,443,239	2,907,033
Net assets released from restrictions	<u>668,700</u>	<u>898,014</u>
Total revenue and support without donor restrictions	<u>5,111,939</u>	<u>3,805,047</u>
Expenses:		
Program	4,076,987	3,138,703
General and administrative	226,469	187,991
Fundraising	<u>573,406</u>	<u>486,935</u>
Total expenses	4,876,862	3,813,629
Change in net assets without donor restrictions	<u>235,077</u>	<u>(8,582)</u>
<b>Net assets with donor restrictions:</b>		
Grants and contributions	824,751	734,380
Net assets released from restrictions	<u>(668,700)</u>	<u>(898,014)</u>
Change in net assets with donor restrictions	<u>156,051</u>	<u>(163,634)</u>
Change in net assets	391,128	(172,216)
Net assets, beginning of year	<u>1,762,905</u>	<u>1,935,121</u>
Net assets, end of year	<u>\$ 2,154,033</u>	<u>\$ 1,762,905</u>

See Notes to Financial Statements.

**YOUTH FIRST, INC.**

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2019 and 2018

<b>Cash flows from operating activities:</b>	<u>2019</u>	<u>2018</u>
Revenue collected:		
Contracted services	\$ 1,538,960	\$ 1,136,930
Grants and contributions	3,282,852	2,089,508
Special events	245,849	363,896
Interest income	16,041	12,488
Payments for expenses:		
Compensation and related expenses	(3,957,786)	(2,956,318)
Vendors and suppliers	(845,344)	(708,305)
Net cash provided by (used in) operating activities	<u>280,572</u>	<u>(61,801)</u>
<b>Cash flows from investing activities:</b>		
Net redemptions of certificates of deposit	89,537	51,519
Purchase of property and equipment	(77,334)	(52,277)
Net cash provided by (used in) investing activities	<u>12,203</u>	<u>(758)</u>
Net increase (decrease) in cash	292,775	(62,559)
Cash, beginning of year	<u>556,937</u>	<u>619,496</u>
Cash, end of year	<u>\$ 849,712</u>	<u>\$ 556,937</u>
<b>Reconciliation of change in net assets to net cash provided by (used in) operating activities:</b>		
Change in net assets	\$ 391,128	\$ (172,216)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Change in beneficial interest in assets held by community foundation	(249)	(309)
Depreciation	36,817	24,832
Increase in assets:		
Grants and accounts receivable	(193,348)	(38,282)
Other current assets	(28,049)	(4,374)
Increase in liabilities:		
Accounts payable	6,745	9,872
Accrued expenses	58,219	118,676
Deferred revenue	9,309	-
Net cash provided by (used in) operating activities	<u>\$ 280,572</u>	<u>\$ (61,801)</u>

See Notes to Financial Statements.

**YOUTH FIRST, INC.**

**STATEMENTS OF FUNCTIONAL EXPENSES**

Years Ended June 30, 2019 and 2018

	<u>Program</u>	<u>General &amp; Administrative</u>	<u>Fundraising</u>	<u>Total</u>
	<u>2019</u>			
Salaries	\$ 2,924,184	\$ 154,054	\$ 371,291	\$ 3,449,529
Employee benefits	260,074	13,701	33,023	306,798
Payroll taxes	220,130	11,597	27,951	259,678
Advertising	25,580	-	30,564	56,144
Depreciation	31,210	1,644	3,963	36,817
Dues & licenses	1,251	3,689	-	4,940
Food	38,081	2,006	4,836	44,923
Insurance	43,333	2,283	5,502	51,118
Miscellaneous	1,419	7,744	326	9,489
Office	13,832	729	1,756	16,317
Postage & printing	15,577	821	1,978	18,376
Professional services	97,473	5,135	12,377	114,985
Program evaluation	108,478	-	-	108,478
Program supplies	113,720	-	-	113,720
Rent	56,895	2,997	7,224	67,116
Repairs & maintenance	-	16,075	-	16,075
Special events	-	-	62,989	62,989
Staff development	15,746	830	1,999	18,575
Training	49,939	-	-	49,939
Travel	60,065	3,164	7,627	70,856
	<u>\$ 4,076,987</u>	<u>\$ 226,469</u>	<u>\$ 573,406</u>	<u>\$ 4,876,862</u>
	<u>2018</u>			
Salaries	\$ 2,253,659	\$ 129,889	\$ 286,630	\$ 2,670,178
Employee benefits	178,133	10,257	22,668	211,058
Payroll taxes	163,532	9,417	20,809	193,758
Advertising	33,343	-	26,105	59,448
Depreciation	20,958	1,207	2,667	24,832
Dues & licenses	370	2,517	-	2,887
Food	29,380	1,692	3,739	34,811
Insurance	38,084	2,193	4,846	45,123
Miscellaneous	1,177	6,307	2,580	10,064
Office	13,085	753	1,665	15,503
Postage & printing	17,422	1,003	2,217	20,642
Professional services	97,779	5,630	12,443	115,852
Program evaluation	56,410	-	-	56,410
Program supplies	86,884	-	-	86,884
Rent	50,276	2,895	6,398	59,569
Repairs & maintenance	-	11,331	-	11,331
Special events	-	-	87,761	87,761
Staff development	5,758	332	732	6,822
Training	47,854	-	-	47,854
Travel	44,599	2,568	5,675	52,842
	<u>\$ 3,138,703</u>	<u>\$ 187,991</u>	<u>\$ 486,935</u>	<u>\$ 3,813,629</u>

See Notes to Financial Statements.

# YOUTH FIRST, INC.

## NOTES TO FINANCIAL STATEMENTS

Years Ended June 30, 2019 and 2018

---

### 1. **Organization and Summary of Significant Accounting Policies**

#### Nature of Organization

Youth First, Inc. (Youth First), a nonprofit corporation based in Evansville, Indiana, is one of Indiana's largest providers of proven prevention and early intervention programs and services. Youth First provides evidence-based programs that strengthen youth and families by preventing substance abuse, promoting healthy behaviors, and maximizing student success. Youth First provided prevention programs for over 138,391 individuals at 343 sites and 55 social workers in 78 schools in Vanderburgh, Warrick, Gibson, Posey, Pike, Martin, Daviess, Orange, Monroe and Morgan counties.

Youth First follows the best practices recommended by the National Institute on Drug Abuse (NIDA) and other experts in the field of prevention and provides programs with proven outcomes, regularly evaluating results, and making improvements as needed.

#### Basis of Presentation

Youth First is required to report information regarding its financial position and activities according to the following net asset classifications:

*Net assets without donor restrictions:* Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of Youth First's management and the board of directors.

*Net assets with donor restrictions:* Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Youth First or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

#### 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 certain reported amounts and disclosures. Actual results could differ from those estimates.

#### Basis of Accounting

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

# YOUTH FIRST, INC.

## NOTES TO FINANCIAL STATEMENTS

Years Ended June 30, 2019 and 2018

---

### 1. **Organization and Summary of Significant Accounting Policies, Continued**

#### Cash and Cash Equivalents

Youth First considers all highly liquid investments with an initial maturity of 90 days or less to be cash equivalents. There were no cash equivalents at June 30, 2019.

#### Certificates of Deposit

Certificates of deposit mature at various dates through September 2020, with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements. The cost plus accrued interest approximates fair value.

#### Grants and Accounts Receivable

Youth First receives most of its funding from contracted services with local school corporations and federal and state grants. A receivable is recognized to the extent that the expenditures are incurred in the manner specified by the contracted service and grant agreements. No allowance for doubtful accounts is considered necessary due to the nature of the relationship with the school corporations and granting agencies.

When grantors pay in advance of incurring the specified costs, the amount received in excess of amounts spent on reimbursable costs is reported as deferred revenue.

#### Equipment

Equipment is carried at cost or, if donated, at fair market value at the date acquired. Assets donated with explicit restrictions regarding their use are reported as increases in net assets with donor restrictions until such restrictions expire. Absent donor stipulations, contributions of equipment are recorded as increases in net assets without donor restrictions. Depreciation expense is computed by the straight-line method over estimated useful lives of the related assets. Acquisitions of equipment in excess of \$500 are capitalized.

#### Advertising

Youth First expenses advertising costs as incurred.

# YOUTH FIRST, INC.

## NOTES TO FINANCIAL STATEMENTS

Years Ended June 30, 2019 and 2018

### 1. **Organization and Summary of Significant Accounting Policies, Continued**

#### Contributions

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

A substantial number of volunteers donate significant amounts of their time; however, no amounts have been reflected in the financial statements for donated services.

#### Income Taxes

Youth First is exempt from income taxes as a nonprofit corporation under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. Youth First believes that it has support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

#### Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries and related expenses, depreciation, insurance, office and furnishings, and travel are all allocated based on time and effort. Advertising, program expenses, maintenance, and training are all allocated based on actual direct expenditures.

#### New Accounting Pronouncement

FASB issued ASU No. 2016-14, "Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities" in 2016. Under the ASU, the number of net asset classes is decreased from three to two; reporting of expenses by function and nature, as well as an analysis of expenses by both function and nature is required; and qualitative information in the notes to the financial statements on how an entity manages its liquid available resources and liquidity risks is required. The Organization adopted ASU 2016-14 during the year ended June 30, 2019. In accordance with the ASU, previously reported amounts have been reclassified to the current presentation. The adoption of ASU 2016-14 had no impact on the Organization's total net assets.

# YOUTH FIRST, INC.

## NOTES TO FINANCIAL STATEMENTS

Years Ended June 30, 2019 and 2018

### 1. Organization and Summary of Significant Accounting Policies, Continued

#### Reclassifications

Certain accounts in the 2018 financial statements have been reclassified for comparative purposes and to conform with the presentation in the 2019 financial statements.

### 2. Liquidity and Availability of Financial Assets

The following represents Youth First's financial assets available within one year of the statements of financial position date to meet cash needs for general operating expenditures at June 30:

	<u>2019</u>	<u>2018</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 639,049	\$ 556,937
Certificates of deposit	-	34,925
Grants and accounts receivable	<u>485,265</u>	<u>291,917</u>
	<u>\$ 1,124,314</u>	<u>\$ 883,779</u>

Youth First's goal is generally to maintain financial assets to meet at least 90 days of operating expenses. As part of its liquidity plan, Youth First invests cash in excess of daily requirements in short-term investments.

### 3. Beneficial Interest in Assets Held by Community Foundation

Youth First contributed funds to the Community Foundation Alliance (CFA) in 2016 and specified itself as the beneficiary. Income is distributed to Youth First for unrestricted purposes and principal must remain intact for perpetuity. CFA was granted variance power to modify any restriction or condition of the distribution of the funds for any specified charitable purposes or to specified organizations if such restriction becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community and area served. The historical cost of the beneficial interest was \$10,000 at June 30, 2019 and 2018, which includes \$5,137 of net assets with donor restrictions, permanent in nature. The fair value of the beneficial interest was \$11,670 and \$11,421 at June 30, 2019 and 2018, respectively. An unrealized gain of \$249 and \$309 for the years ended June 30, 2019 and 2018, respectively, related to the beneficial interest are reported as changes in net assets without donor restrictions.

# YOUTH FIRST, INC.

## NOTES TO FINANCIAL STATEMENTS

Years Ended June 30, 2019 and 2018

### 3. Beneficial Interest in Assets Held by Community Foundation, Continued

Generally accepted accounting principles provide a framework for measuring fair value. That framework establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. 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 measurements).

Fair value of this beneficial interest is measured on a recurring basis using the unadjusted fair value of the underlying investments held in the fund as reported by CFA at June 30, 2019 and 2018. However, Youth First considers the measurement to be a Level 3 measurement because Youth First will never receive those assets or have the right to direct CFA to redeem them.

The table below presents information about the fair value measurements of the beneficial interest for the years ended June 30:

	<u>2018</u>	<u>2017</u>
Beginning of year	\$ 11,421	\$ 11,112
Change in value	<u>249</u>	<u>309</u>
End of year	<u>\$ 11,670</u>	<u>\$ 11,421</u>

Youth First reports transfers between levels of the fair value hierarchy, if any, at the end of the reporting period. There were no such transfers at June 30, 2019 and 2018.

### 4. Retirement Plan

Youth First maintained a Simple IRA defined contribution plan covering substantially all employees until January 1, 2019. Youth First matched employee contributions up to three percent of eligible wages during this time. On January 1, 2019, Youth First switched to a 401(k) plan available to all employees who meet the eligibility requirements of the plan. Youth First matches employee contributions equal to 100% of their salary deferrals that do not exceed 3% of employees compensation plus 50% of employees salary deferrals between 3% and 5% of employees compensation. Total contributions to these plans were \$83,585 and \$47,236 for the years ended June 30, 2019 and 2018, respectively.

# YOUTH FIRST, INC.

## NOTES TO FINANCIAL STATEMENTS

Years Ended June 30, 2019 and 2018

### 5. Leases

Youth First leases facilities and equipment under a non-cancelable operating agreement. Total rent and equipment expense was \$67,116 and \$59,569 for the years ended June 30, 2019 and 2018, respectively.

Youth First entered into a new lease for their current facilities in August 2018, expiring October 2028 with monthly payments of \$5,553. Future minimum lease payments under non-cancelable long-term leases are as follows for the years ended June 30:

2019	\$	69,999
2020		69,999
2021		69,999
2022		68,319
2023		66,638
Thereafter		<u>288,764</u>
	\$	<u>633,718</u>

### 6. Net Assets with Donor Restrictions

Youth First's Board of Directors has chosen to place limitations on net assets without donor restrictions of \$1,437 at June 30, 2019 and 2018.

Net assets with donor restrictions related to program specific donor requirements were as follows for the years ended June 30:

	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 948,749	\$ 1,112,383
Contributions for specific program services	824,751	734,380
Program service restrictions met	<u>(668,700)</u>	<u>(898,014)</u>
Balance, end of year	<u>\$ 1,104,800</u>	<u>\$ 948,749</u>

Net assets with donor restrictions, permanent in nature, consisted of a beneficial interest in assets held by others in the amount of \$5,137 at June 30, 2019 and 2018 (See Note 3).

# YOUTH FIRST, INC.

## NOTES TO FINANCIAL STATEMENTS

Years Ended June 30, 2019 and 2018

### 7. Concentrations

Youth First received a substantial portion of its revenue from the following entities during the years ended June 30:

	<u>2019</u>	<u>2018</u>
Grants:		
Federal and state grantors	40%	31%
Contracted services:		
School corporation	11%	15%

The grant funds are to be used for designated purposes only. If the funds are considered not to have been used for the intended purpose based upon the grantors' review, the grantors may request a refund of monies advanced, or refuse to reimburse Youth First for its expenditures.

The amount of such future refunds and unreimbursed expenditures, if any, is not expected to be significant. Continuation of Youth First's grant programs is predicated upon the grantors' satisfaction that the funds provided are being spent as intended and the grantors' intent to continue their programs.

### 8. Credit Risk

Financial instruments that potentially subject Youth First to credit risk consist principally of cash and certificates of deposits at financial institutions, and grants and accounts receivable. Cash and certificates of deposits may, at times, exceed federal deposit insurance (FDIC) limits. Youth First attempts to minimize credit risk by managing the circumstances in which cash is invested in a single entity at a level that is above FDIC insured limits. Credit risk with respect to grants and accounts receivable is limited due to the credit worthiness of the school corporations who contract for services and federal and state agencies who comprise the contributor base. Generally, Youth First requires no collateral or other security to support receivables.

### 9. Recently Issued Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. The amendments of this ASU will be effective for annual reporting periods beginning after December 15, 2018.

# YOUTH FIRST, INC.

## NOTES TO FINANCIAL STATEMENTS

Years Ended June 30, 2019 and 2018

### 9. Recently Issued Accounting Pronouncements, Continued

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*. This ASU will increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. Under ASU 2016-02, a lessee will recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-to-use asset representing its right to use the underlying asset for the lease term for all leases with a lease term of more than 12 months. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee have not significantly changed from current GAAP. The amendments of this ASU are effective for reporting periods beginning after December 15, 2020. An entity will be required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach.

In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard should assist entities in 1) evaluating whether transactions should be accounted for as contributions (non-reciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and 2) determining whether a contribution is conditional. The amendments of this ASU will be effective for annual reporting periods beginning after December 15, 2019.

Management is currently assessing the impact the adoption of these ASUs will have on its financial statements.

### 10. Subsequent Events

Youth First has evaluated subsequent events through December 13, 2019, the date the financial statements were available to be issued.