

RRAF

FINANCIAL STATEMENTS

JUNE 30, 2016

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INDEPENDENT AUDITOR'S REPORT

To The Board of Directors

RRAF

We have audited the accompanying financial statements of **RRAF** (a not-for-profit corporation), which comprise the Statement of Financial Position as of June 30, 2016, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion of 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 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.

INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibility (Cont.)

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 **RRAF** as of June 30, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Jordan Financial Group, Ltd.

Northfield, Illinois
December 22, 2016

RRAF
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2016

ASSETS

Cash - Unrestricted		\$ 133,183
Prepaid expenses		2,889
Accounts receivable		8,311
Due from third party payer		1,179
Property and equipment	\$ 806,942	
Less accumulated depreciation	342,696	

Net Property and Equipment		464,246
Other assets		491

TOTAL ASSETS		\$ 610,299
		=====

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable and accrued expenses		\$ 10,438
Bank loan payable		288,190
Vehicle loan payable		8,887

Total Liabilities		307,515
NET ASSETS - Unrestricted		302,784

TOTAL LIABILITIES AND NET ASSETS		\$ 610,299
		=====

See accompanying notes.

RRAF
 STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2016

CHANGES IN UNRESTRICTED NET ASSETS	
Revenue and gains	
Total fees for service	\$ 204,839
Contributions	62,676
Fundraisers, net	22,768

Total unrestricted revenue and gains	290,283
Expenses and losses -	
Program and agency expenses	299,778

Net program revenues and gains (net loss)	(9,495)
OTHER LOSSES	(32)

EXCESS OF EXPENSES OVER REVENUES	(9,527)
UNRESTRICTED NET ASSETS AT BEGINNING OF YEAR	312,311

BALANCE, UNRESTRICTED NET ASSETS AT END OF YEAR	\$ 302,784
	=====

See accompanying notes.

RRAF
 STATEMENT OF CASH FLOWS - UNRESTRICTED CASH
 YEAR ENDED JUNE 30, 2016

OPERATING ACTIVITIES

Excess of expenses over revenues	\$ (9,527)
Adjustments to reconcile excess of revenues over expenses provided by operating activities:	
Depreciation and amortization	24,809
Changes in operating assets and liabilities:	
Decrease in prepaid expenses	2,035
Decrease in due from third party payer and accounts receivable	6,512
Increase in accounts payable and accrued expenses	2,126
Other	3

Net Cash From Operating Activities	25,958

INVESTING ACTIVITIES

Purchase of equipment - Net cash used for Investing Activities	(327)

FINANCING ACTIVITIES

Principal payments of bank loan payable	(16,541)
Principal payments of vehicle loan payable	(3,967)

Net Cash Used for Financing Activities	(20,508)

INCREASE IN UNRESTRICTED CASH	5,123
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UNRESTRICTED CASH AT BEGINNING OF YEAR	128,060

UNRESTRICTED CASH AT END OF YEAR	\$ 133,183
	=====

See accompanying notes.

RRAF
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2016

	TOTAL AGENCY	TOTAL PROGRAMS NOT GRANT FUNDED	DHS DT NUMBER 31
	-----	-----	-----
Salaries and wages	\$ 146,276	\$ -	\$ 146,276
Payroll taxes	13,528		13,528
Insurance - health	12,147		12,147
Employee benefit program	5,578		5,578
Other staff expenses	1,116		1,116
Consultants	4,020		4,020
Consumable supplies	4,785	4,785	
Occupancy	43,471		43,471
Local transportation	40,608		40,608
Activities expenses	1,200		1,200
Other program expenses	2,240		2,240
Depreciation and amortization	24,809		24,809
	-----	-----	-----
TOTAL EXPENSES	\$ 299,778	\$ 4,785	\$ 294,993
	=====	=====	=====

See accompanying notes.

RRAF
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

DESCRIPTION OF ORGANIZATION

RRAF was organized in 1981 pursuant to the Illinois Not-For-Profit Corporation Act. It operates an agency which provides services to adults with developmental disabilities.

ACCOUNTING POLICIES

PROPERTY AND EQUIPMENT, DEPRECIATION AND AMORTIZATION

Property and equipment is stated at cost. Depreciation and amortization are based upon the straight-line method and the estimated useful life of the property and equipment as follows:

Buildings and improvements	39 years
Furniture and equipment	5-7 years
Vehicles	5 years

GRANTS AND STATE FUNDING

The Agency records income from state grants and fees for service in the period designated by the grantor.

PROPERTY AND EQUIPMENT, AND DEPRECIATION

Property and equipment at June 30, 2016 is summarized as follows:

Buildings and improvements	\$ 445,861
Land and improvements	203,875
Furniture and equipment	50,328
Vehicles	106,878

Total	\$ 806,942
	=====

Depreciation expense was \$ 24,542 for the year ended June 30, 2016.

RRAF
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

BANK LOAN PAYABLE, AND AMORTIZATION

The bank loan payable of \$ 320,427 resulted from the April 2013 refinancing of the expiration of the term of an existing loan.

The current loan is payable \$ 2,751 monthly including interest at 5.5 % annually. It is due in April 2018, at which time the remaining principal balance will be due. Management expects to renew or refinance the loan.

The loan is collateralized by a mortgage on the Agency's buildings and land.

Amortization of loan costs was \$ 268 for the current year.

Future maturities are as follows:

Year ending June 30, 2017	\$ 17,900
Year ending June 30, 2018	270,290

TOTAL	\$ 288,190
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USE OF ESTIMATES

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles. The preparation of financial statements in accordance with generally accepted accounting principles 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.

RRAF
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

VEHICLE LOANS PAYABLE

A credit agency loan is collateralized by a transportation vehicle and is payable \$ 377 monthly including interest at 5 % annually, and is due in July 2018.

Future maturities are as follows:

Years ending June 30,

2017	\$	4,150
2018		4,350
2019		387

TOTAL	\$	8,887
		=====

ADDITIONAL CASH FLOW INFORMATION

Cash payments for interest were \$ 17,023 for the year.

INCOME TAXES

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, and therefore, no provision for income taxes is included in these financial statements.

SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 22, 2016 which is the date the financial statements were issued.

SUPPLEMENTARY INFORMATION

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
RRAF

The supplementary information that appears on page 13 is not a required part of the basic financial statements that appear on the preceding pages. It is presented for the purpose of additional analysis.

Our examination was made for the purpose of forming an opinion on the basic financial statements, taken as a whole. This supplementary information has not been subjected to the auditing procedures applied in our examination of the basic financial statements and, accordingly, we express no opinion on it.

Jordan Financial Group, Ltd.

Northfield, Illinois
December 22, 2016

RRAF
 SCHEDULE OF REVENUE AND SUPPORT BY SOURCE AND BY PROGRAM
 YEAR ENDED JUNE 30, 2016

	TOTAL AGENCY	FUND RAISING	OTHER	DHS DT NUMBER 31
	-----	-----	-----	-----
FEES FOR SERVICE				
Illinois Department of Human Services	\$ 172,163			\$ 172,163
Other	32,676			32,676
	-----	-----	-----	-----
Total Fees for Service	204,839			204,839
	-----	-----	-----	-----
OTHER REVENUES				
Contributions, unrestricted	62,676	62,676		
Fund raisers, net	22,768	22,768		
	-----	-----	-----	-----
Total Other Revenues	85,444	85,444	0	
	-----	-----	-----	-----
TOTAL REVENUES	\$ 290,283	\$ 85,444	\$ -	\$ 204,839
	=====	=====	=====	=====

See Independent Auditor's Report dated December 22, 2016