

RRAF

FINANCIAL STATEMENTS

JUNE 30, 2019

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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, 2019, 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, 2019, 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.

William C. Jordan, CPA

Northfield, Illinois
December 20, 2019

RRAF
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019

ASSETS

Cash - Unrestricted		\$	52,940
Prepaid expenses			3,873
Accounts receivable			10,327
Due from third party payer			1,937
Property and equipment	\$		771,461
Less accumulated depreciation			324,615

Net Property and Equipment			446,846
Other assets			1,090

TOTAL ASSETS		\$	517,013
			=====

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable and accrued expenses		\$	9,408
Bank loan payable			242,797
Vehicle loan payable			15,227

Total Liabilities			267,432
NET ASSETS - Unrestricted			249,581

TOTAL LIABILITIES AND NET ASSETS		\$	517,013
			=====

See accompanying notes.

RRAF
 STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2019

CHANGES IN UNRESTRICTED NET ASSETS

Revenue and gains		
Total fees for service	\$	168,492
Contributions		49,131
Fundraisers, net of \$ 4,789 costs		17,147

Total unrestricted revenue and gains		234,770
Expenses and losses -		
Program and agency expenses		267,352

Net program and agency expenses		(32,582)
OTHER		200

EXCESS EXPENSES		(32,382)
UNRESTRICTED NET ASSETS AT BEGINNING OF YEAR		281,963

BALANCE, UNRESTRICTED NET ASSETS AT END OF YEAR	\$	249,581
		=====

See accompanying notes.

RRAF
STATEMENT OF CASH FLOWS - UNRESTRICTED CASH
YEAR ENDED JUNE 30, 2019

OPERATING ACTIVITIES	
Excess of expenses over revenues	\$ (32,382)
Adjustments to reconcile excess of revenues over expenses provided by operating activities:	
Depreciation and amortization	20,884
Changes in operating assets and liabilities:	
Increase in prepaid expenses	(101)
Decrease in due from third party payer and accounts receivable	7,790
Decrease in accounts payable and accrued expenses	(2,482)

Net Cash Used For Operating Activities	(6,291)

INVESTING ACTIVITIES	
Purchase of property and equipment	(1,772)
Other	2

Net Cash Used for Investing Activities	(1,770)

FINANCING ACTIVITIES	
Principal payments of bank loan payable	(13,015)
Principal payments of vehicle loans payable	(3,654)

Net Cash Used for Financing Activities	(16,669)

DECREASE IN UNRESTRICTED CASH	(24,730)
UNRESTRICTED CASH AT BEGINNING OF YEAR	77,670

UNRESTRICTED CASH AT END OF YEAR	\$ 52,940
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See accompanying notes.

RRAF
 STATEMENT OF FUNCTIONAL EXPENSES
 YEAR ENDED JUNE 30, 2019

	TOTAL AGENCY	TOTAL PROGRAMS NOT GRANT FUNDED	DHS DT NUMBER 31
	-----	-----	-----
Salaries and wages	\$ 127,942	\$ -	\$ 127,942
Payroll taxes	9,548		9,548
Insurance - health	12,365		12,365
Employee benefit program	6,072		6,072
Other staff expenses	3,068		3,068
Consultants	7,320		7,320
Consumable supplies	4,495	4,495	
Occupancy	41,446		41,446
Local transportation	30,610		30,610
Activities expenses	1,200		1,200
Other program expenses	2,402		2,402
Depreciation and amortization	20,884		20,884
	-----	-----	-----
TOTAL EXPENSES	\$ 267,352	\$ 4,495	\$ 262,857
	=====	=====	=====

See accompanying notes.

RRAF
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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, 2019 is summarized as follows:

Buildings and improvements	\$ 460,717
Land and improvements	203,875
Furniture and equipment	61,469
Vehicles	45,400

Total	\$ 771,461
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Depreciation expense was \$ 20,600 for the year ended June 30, 2019.

RRAF
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

BANK LOAN PAYABLE, AND AMORTIZATION

The bank loan payable of \$ 242,797 resulted from the April 2018 refinancing of the balance of \$ 256,846 upon the expiration of its term.

The current loan is payable \$ 2,140 monthly including interest at 5.0 % annually. It is due in April 2023, at which time the remaining principal balance will be due. Management expects to renew or refinance the loan balance at that future time.

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

Amortization of loan costs was \$ 284 for the current year.

Future maturities are as follows:

Year ending June 30,	
2020	\$ 13,900
2021	14,600
2022	15,300
2023	198,997

TOTAL	\$ 242,797
	=====

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, 2019

VEHICLE LOANS PAYABLE

A credit agency loan originated in May 2018, is collateralized by a transportation vehicle, is payable \$ 376 monthly including interest at 6.69 % annually, and is due in April 2023 \$ 15,227
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Future maturities are as follows:

Years ending June 30,	
2020	\$ 3,600
2021	3,850
2022	4,100
2023	3,677

TOTAL	\$ 15,227
	=====

ADDITIONAL CASH FLOW INFORMATION

Cash payments for interest were \$ 13,207 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 20, 2019 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.

William C. Jordan, CPA

Northfield, Illinois
December 20, 2019

RRAF
 SCHEDULE OF REVENUE AND SUPPORT BY SOURCE AND BY PROGRAM
 YEAR ENDED JUNE 30, 2019

	TOTAL AGENCY	FUND RAISING	OTHER	DHS DT NUMBER 31
	-----	-----	-----	-----
FEES FOR SERVICE				
Illinois Department of Human Services	151,252			\$ 151,252
Other	17,240			17,240
	-----	-----	-----	-----
Total Fees for Service	168,492			168,492
	-----	-----	-----	-----
OTHER REVENUES				
Contributions, unrestricted	49,131	49,131		
Fund raisers, net	17,147	17,147		
	-----	-----	-----	-----
Total Other Revenues	66,278	66,278	0	
	-----	-----	-----	-----
TOTAL REVENUES	\$ 234,770	\$ 66,278	\$ -	\$ 168,492
	=====	=====	=====	=====

See Independent Auditor's Report dated December 23, 2019