

RAVENSWOOD COMMUNITY SERVICES, INC.
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007

To The Board of Directors
Ravenswood Community Services, Inc.
Chicago, Illinois

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statements of financial position of **RAVENSWOOD COMMUNITY SERVICES, INC.** as of December 31, 2008 and 2007, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. 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. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **RAVENSWOOD COMMUNITY SERVICES, INC.** at December 31, 2008 and 2007, 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.

Frank L. Sarselli & Co.

June 24, 2009
Oak Park, Illinois

RAVENSWOOD COMMUNITY SERVICES, INC.
 STATEMENTS OF FINANCIAL POSITION
 DECEMBER 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
ASSETS		
Cash and cash equivalents	\$ 69,782	\$ 123,110
Due from affiliate (Note 2)	5,967	-
Property and equipment, net (Note 3)	<u>9,985</u>	<u>-</u>
Total Assets	<u>\$ 85,734</u>	<u>\$ 123,110</u>
 LIABILITIES		
Due to affiliate (Note 2)	<u>\$ -</u>	<u>\$ 7,983</u>
 NET ASSETS		
Unrestricted	<u>85,734</u>	<u>115,127</u>
Total Net Assets	<u>85,734</u>	<u>115,127</u>
Total Liabilities and Net Assets	<u>\$ 85,734</u>	<u>\$ 123,110</u>

The accompanying notes are an integral part of the financial statements.

RAVENSWOOD COMMUNITY SERVICES, INC.
 STATEMENTS OF ACTIVITIES
 YEARS ENDED DECEMBER 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
REVENUES AND SUPPORT		
Contributions	\$ 30,044	\$ 21,283
Grants	48,750	58,000
Special events	55,139	51,793
Interest income	1,246	1,826
Total Revenues and Support	<u>135,179</u>	<u>132,902</u>
EXPENSES		
Program	113,204	63,926
Management and general	30,136	16,239
Fundraising	<u>21,232</u>	<u>14,392</u>
Total Expenses	<u>164,572</u>	<u>94,557</u>
CHANGE IN NET ASSETS	(29,393)	38,345
NET ASSETS - UNRESTRICTED		
Beginning of the year	<u>115,127</u>	<u>76,782</u>
End of the year	<u>\$ 85,734</u>	<u>\$ 115,127</u>

The accompanying notes are an integral part of the financial statements.

RAVENSWOOD COMMUNITY SERVICES, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008			2007				
	Program	Management and General	Fund-raising	Totals	Program	Management and General	Fund-raising	Totals
Salaries paid to affiliate	\$ 37,627	\$ 12,542	\$ 12,542	\$ 62,711	\$ 20,572	\$ 6,858	\$ 6,858	\$ 34,288
Administrative expenses	-	3,429	-	3,429	-	3,480	-	3,480
All Saints Café expenses	4,929	-	-	4,929	3,306	-	-	3,306
Bus passes	1,178	-	-	1,178	263	-	-	263
Computer expense	-	3,014	-	3,014	57	19	19	95
Continuing education	1,026	-	-	1,026	445	-	-	445
Depreciation (note 4)	1,011	-	-	1,011	-	-	-	-
Food costs	46,544	-	-	46,544	27,736	-	-	27,736
Insurance	727	182	-	909	727	182	-	909
Other program	6,188	246	-	6,434	-	-	-	-
Professional fees	-	9,523	-	9,523	-	4,500	-	4,500
Promotions	-	-	2,521	2,521	-	-	-	-
Ravenswood school	2,211	-	-	2,211	-	-	-	-
Rent expense (note 2)	4,800	1,200	-	6,000	4,800	1,200	-	6,000
Service projects	-	-	-	-	64	-	-	64
Special events	-	-	6,169	6,169	-	-	7,515	7,515
Supplies	4,270	-	-	4,270	4,305	-	-	4,305
Volunteer support	2,693	-	-	2,693	1,651	-	-	1,651
Total Expenses	\$ 113,204	\$ 30,136	\$ 21,232	\$ 164,572	\$ 63,926	\$ 16,239	\$ 14,392	\$ 94,557

The accompanying notes are an integral part of the financial statements.

RAVENSWOOD COMMUNITY SERVICES, INC.
 STATEMENTS OF CASH FLOWS
 YEARS ENDED DECEMBER 31, 2008 AND 2007

CASH FLOWS FROM OPERATING ACTIVITIES	2008	2007
Change in net assets	\$ (29,393)	\$ 38,345
Adjustments to reconcile to net cash provided by (used in) operating activities -		
Depreciation	1,011	-
Changes in operating assets and liabilities -		
Decrease (increase) in accounts receivable	-	15,000
Increase (decrease) in due to affiliate (Note 2)	(13,950)	8,822
Net Cash Provided by (Used in) Operating Activities	(42,332)	62,167
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(10,996)	-
Net Cash Used in Investing Activities	(10,996)	-
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(53,328)	62,167
 CASH AND CASH EQUIVALENTS -		
Beginning of year	123,110	60,943
End of year	\$ 69,782	\$ 123,110

The accompanying notes are an integral part of the financial statements.

RAVENSWOOD COMMUNITY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008 AND 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization - **RAVENSWOOD COMMUNITY SERVICES, INC.** is a non-profit organization created in 2001 to provide hunger relief services targeted to residents of the Uptown and Ravenswood neighborhoods in Chicago. The Organization's primary activity is the operation of weekly food pantry and community kitchen, where it provides emergency food assistance to more than 550 people each week. In addition, the Organization has developed a strong partnership with Ravenswood School, a neighborhood public elementary school, to provide mentoring and other services to help ensure powerful futures for neighborhood youth. The Organization is affiliated with, but separate from, All Saint's Episcopal Church in Chicago and Episcopal Charities and Community Services.

Basis of Presentation - The financial statements present the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization 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. At December 31, 2008 and 2007, the Organization had no temporarily or permanently restricted net assets.

Income Tax Status - The Organization is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code.

Use of Accounting Estimates - The preparation of financial statements in conformity 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Donated Services - No amounts have been reflected in the financial statements for donated services or volunteer service hours. The Organization pays for most services requiring professional expertise or certifications (such as accountants, pest control services, etc.). However, more than 300 individuals volunteer their time annually to perform a variety of tasks, such as coordinating and managing stock deliveries, managing consumable supplies inventory and purchases, delivering bread, loading and distributing milk, supervising client intake, planning menus, cooking and serving meals, clean-up, and a multitude of other tasks necessary for delivery of the services offered by the Organization. The Organization is governed by an active all-volunteer board of directors.

RAVENSWOOD COMMUNITY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008 AND 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Depreciation - Property and equipment are being depreciated over their estimated useful lives, from their date of acquisition, using the straight line method. For the year ended December 31, 2008 depreciation charges totaled \$1,011. There was no depreciation in 2007.

Cash Flow Information - The Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. No cash was paid for interest or income taxes during the years ended December 31, 2008 and 2007.

2. OPERATING LEASE AND RELATED PARTY

Rent - The Organization rents its primary operating space from All Saints Episcopal Church, on a month to month basis, for \$500 a month. Rent expense was \$6,000 for the years ended December 31, 2008 and 2007, respectively.

Due to from affiliate - The Organization's salaries are paid by All Saints Episcopal Church. Salaries and taxes paid to All Saints totaled \$62,711 and \$34,288 for the years ended December 31, 2008 and 2007, respectively. All Saints gives monthly contributions to the organization. The contributions totaled \$16,000 and \$16,030 for the years ended December 31, 2008 and 2007, respectively. The amount due from and to affiliate at December 31, 2008 and 2007, is a result of the net effect of rent, payroll and contributions. As of December 31, 2008, management believes the monies due from affiliate are fully collectable and therefore no allowance for doubtful accounts is necessary.

3. PROPERTY AND EQUIPMENT

Acquisitions of property and equipment in excess of \$500 are capitalized. For the year ended December 31, 2008, balances of major classes of depreciable assets are as follows:

Kitchen equipment	\$ 8,517
Computer Equipment	2,479
Less accumulated depreciation	<u>(1,011)</u>
	<u>\$ 9,985</u>