

RAVENSWOOD COMMUNITY SERVICES, INC.

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2009 AND 2008



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, 2009 and 2008, 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, 2009 and 2008, 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. Sassetti & Co.*

June 14, 2010  
Oak Park, Illinois

RAVENSWOOD COMMUNITY SERVICES, INC.  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 36,721	\$ 69,782
Due from affiliate	25,736	5,967
Property and equipment, net	<u>33,741</u>	<u>9,985</u>
Total Assets	<u>\$ 96,198</u>	<u>\$ 85,734</u>
 <b>LIABILITIES</b>		
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>
 <b>NET ASSETS</b>		
Unrestricted	<u>96,198</u>	<u>85,734</u>
Total Net Assets	<u>96,198</u>	<u>85,734</u>
Total Liabilities and Net Assets	<u>\$ 96,198</u>	<u>\$ 85,734</u>

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

RAVENSWOOD COMMUNITY SERVICES, INC.  
 STATEMENTS OF ACTIVITIES  
 YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
<b>REVENUES AND SUPPORT</b>		
Contributions	\$ 46,972	\$ 30,044
Grants	96,006	48,750
Special events	47,326	55,139
In-kind revenue	13,362	-
Other income	489	-
Interest income	333	1,246
Total Revenues and Support	204,488	135,179
<b>EXPENSES</b>		
Program	130,975	113,204
Management and general	36,619	30,136
Fundraising	26,430	21,232
Total Expenses	194,024	164,572
<b>CHANGE IN NET ASSETS</b>	10,464	(29,393)
<b>NET ASSETS - UNRESTRICTED</b>		
Beginning of the year	85,734	115,127
End of the year	\$ 96,198	\$ 85,734

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

RAVENSWOOD COMMUNITY SERVICES, INC.  
STATEMENTS OF FUNCTIONAL EXPENSES  
YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009			2008				
	Program	Management and General	Fund-raising	Totals	Program	Management and General	Fund-raising	Totals
Salaries paid to affiliate	\$ 51,546	\$ 17,182	\$ 17,182	\$ 85,910	\$ 37,627	\$ 12,542	\$ 12,542	\$ 62,711
Administrative expenses	-	4,954	-	4,954	-	3,429	-	3,429
All Saints Café expenses	4,634	-	-	4,634	4,929	-	-	4,929
Bus passes	288	-	-	288	1,178	-	-	1,178
Computer expense	-	292	-	292	-	3,014	-	3,014
Continuing education	1,467	-	-	1,467	1,026	-	-	1,026
Depreciation	2,310	-	-	2,310	1,011	-	-	1,011
Food costs	45,748	-	-	45,748	46,544	-	-	46,544
In-kind expense	5,396	-	-	5,396	-	-	-	-
Insurance	727	182	-	909	727	182	-	909
Loss on disposal	-	195	-	195	-	-	-	-
Other program	-	-	-	-	6,188	246	-	6,434
Professional fees	-	-	-	-	-	9,523	-	9,523
Promotions	-	10,625	-	10,625	-	-	2,521	2,521
Ravenswood school	2,167	-	1,614	1,614	-	-	-	2,211
Rent expense	4,800	1,200	-	6,000	2,211	-	-	6,000
Special events	-	-	7,634	7,634	4,800	1,200	-	6,169
Supplies	8,706	-	-	8,706	4,270	-	-	4,270
Repairs	-	1,989	-	1,989	-	-	-	-
Volunteer support	3,186	-	-	3,186	2,693	-	-	2,693
<b>Total Expenses</b>	<b>\$ 130,975</b>	<b>\$ 36,619</b>	<b>\$ 26,430</b>	<b>\$ 194,024</b>	<b>\$ 113,204</b>	<b>\$ 30,136</b>	<b>\$ 21,232</b>	<b>\$ 164,572</b>

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

RAVENSWOOD COMMUNITY SERVICES, INC.  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2009 AND 2008

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>2009</u>	<u>2008</u>
Change in net assets	\$ 10,464	\$ (29,393)
Adjustments to reconcile to net cash used in operating activities -		
Depreciation	2,310	1,011
Loss on disposal of property	195	-
Changes in operating assets and liabilities -		
Increase in due from affiliate	<u>(19,769)</u>	<u>(13,950)</u>
Net Cash Used in Operating Activities	<u>(6,800)</u>	<u>(42,332)</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	<u>(26,261)</u>	<u>(10,996)</u>
 Net Cash Used in Investing Activities	<u>(26,261)</u>	<u>(10,996)</u>
 <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	 (33,061)	 (53,328)
 <b>CASH AND CASH EQUIVALENTS -</b>		
Beginning of year	<u>69,782</u>	<u>123,110</u>
End of year	<u><u>\$ 36,721</u></u>	<u><u>\$ 69,782</u></u>

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

RAVENSWOOD COMMUNITY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009 AND 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization - **RAVENSWOOD COMMUNITY SERVICES, INC.** (RCS) is a non-profit organization created in 2001 to provide hunger relief services to people in the Uptown and Ravenswood neighborhoods in Chicago. RCS' primary activity is the operation of weekly food pantry and community kitchen, where it provides food assistance to more than 300 individuals and households each week. In the fall of 2009, RCS partnered with the Greater Chicago Food Depository and Ravenswood School to add a monthly outdoor market-style pantry, which provides food assistance to almost 140 neighborhood families each month. RCS also provides mentoring and other services to middle school students at Ravenswood School (a neighborhood public elementary school) to help ensure powerful futures for youth in the community. The Organization is affiliated with -- but separate from -- All Saint's Episcopal Church in Chicago, Episcopal Charities and Community Services and the Greater Chicago Food Depository.

Basis of Presentation - As required by the generally accepted accounting principles for Not-for-Profit accounting, the Foundation 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.

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, 2009 AND 2008

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, 2009 and 2008 depreciation charges totaled \$2,310 and \$1,011, respectively.

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, 2009 and 2008.

Subsequent Events - The Organization has evaluated subsequent events through June 14, 2010, and there were no additional items identified that would impact the financial statements for the year ended December 31, 2009.

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, 2009 and 2008.

Due To From Affiliate - The Organization's salaries are paid by All Saints Episcopal Church. Salaries and taxes paid to All Saints totaled \$85,910 and \$62,711 for the years ended December 31, 2009 and 2008, respectively. All Saints gives monthly contributions to the organization. The contributions totaled \$16,520 and \$16,000 for the years ended December 31, 2009 and 2008, respectively. The amount due from and to affiliate at December 31, 2009 and 2008, is a result of the net effect of rent, payroll and contributions. As of December 31, 2009, management believes the monies due from affiliate are fully collectable and therefore no allowance for doubtful accounts is necessary.

3. PROPERTY AND EQUIPMENT

Balances of major classes of depreciable assets as of December 31, 2009 and 2008 are as follows (at cost):

	2009	2008
Kitchen equipment	\$ 20,045	\$ 8,517
Computer equipment	16,822	2,479
Less accumulated depreciation	(3,126)	(1,011)
	<u>\$ 33,741</u>	<u>\$ 9,985</u>



RAVENSWOOD COMMUNITY SERVICES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008

4. DONATED SERVICES

The value of donated services included as in-kind contributions in the financial statements and the corresponding expenses for the years ended December 31, 2009 and 2008, are as follows:

	<u>2009</u>	<u>2008</u>
Food donations	\$ 5,396	\$ -
Equipment donations	<u>7,966</u>	<u>-</u>
Total Donations	<u>\$ 13,362</u>	<u>\$ -</u>