

RAVENSWOOD COMMUNITY SERVICES, INC.

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2010 AND 2009

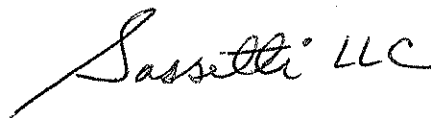
To The Board of Directors
Ravenswood Community Services, Inc.
Chicago, Illinois

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statements of financial position of **RAVENSWOOD COMMUNITY SERVICES, INC.** as of December 31, 2010 and 2009, 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, 2010 and 2009, 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.

A handwritten signature in cursive script that reads "Sassetti LLC".

(Formerly Frank L. Sassetti & Co.)

May 31, 2011
Oak Park, Illinois

RAVENSWOOD COMMUNITY SERVICES, INC.
 STATEMENTS OF FINANCIAL POSITION
 DECEMBER 31, 2010 AND 2009

	2010	2009
ASSETS		
Cash and cash equivalents	\$ 65,856	\$ 36,721
Due from affiliate	24,707	25,736
Prepaid expenses	6,601	-
Property and equipment, net	33,935	33,741
Total Assets	\$ 131,099	\$ 96,198
 LIABILITIES		
Total Liabilities	\$ -	\$ -
 NET ASSETS		
Unrestricted	131,099	96,198
Total Net Assets	131,099	96,198
Total Liabilities and Net Assets	\$ 131,099	\$ 96,198

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

RAVENSWOOD COMMUNITY SERVICES, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010	2009
REVENUES AND SUPPORT		
Contributions	\$ 70,990	\$ 46,972
Grants	107,208	96,006
Special events	47,509	47,326
In-kind revenue	14,428	13,362
Other income	499	489
Interest income	185	333
Total Revenues and Support	240,819	204,488
EXPENSES		
Program	132,943	130,975
Management and general	42,820	36,619
Fundraising	30,155	26,430
Total Expenses	205,918	194,024
CHANGE IN NET ASSETS	34,901	10,464
NET ASSETS - UNRESTRICTED		
Beginning of the year	96,198	85,734
End of the year	\$ 131,099	\$ 96,198

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

RAVENSWOOD COMMUNITY SERVICES, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010			2009				
	Program	Management and General	Fund-raising	Totals	Program	Management and General	Fund-raising	Totals
Salaries and payroll taxes	\$ 63,898	\$ 21,299	\$ 21,299	\$ 106,496	\$ 51,546	\$ 17,182	\$ 17,182	\$ 85,910
Administrative expenses	-	7,948	-	7,948	-	4,954	-	4,954
All Saints Café expenses	4,292	-	-	4,292	4,634	-	-	4,634
Bus passes	-	-	-	-	288	-	-	288
Computer expense	-	-	-	-	-	292	-	292
Continuing education	94	-	-	94	1,467	-	-	1,467
Depreciation	5,477	-	-	5,477	2,310	-	-	2,310
Food costs	36,294	-	-	36,294	45,748	-	-	45,748
In-kind expense	5,020	-	-	5,020	5,396	-	-	5,396
Insurance	910	227	-	1,137	727	182	-	909
Loss on disposal	-	-	-	-	-	195	-	195
Professional fees	-	10,500	-	10,500	-	10,625	-	10,625
Promotions	-	-	1,703	1,703	-	-	1,614	1,614
Ravenswood school	1,352	-	-	1,352	2,167	-	-	2,167
Rent expense	4,800	1,200	-	6,000	4,800	1,200	-	6,000
Special events	-	-	7,153	7,153	-	-	7,634	7,634
Supplies	8,036	-	-	8,036	8,706	-	-	8,706
Repairs	-	446	-	446	-	1,989	-	1,989
Disposal of equipment	-	1,200	-	1,200	-	-	-	-
Volunteer support	2,770	-	-	2,770	3,186	-	-	3,186
Total Expenses	\$ 132,943	\$ 42,820	\$ 30,155	\$ 205,918	\$ 130,975	\$ 36,619	\$ 26,430	\$ 194,024

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

RAVENSWOOD COMMUNITY SERVICES, INC.
 STATEMENTS OF CASH FLOWS
 YEARS ENDED DECEMBER 31, 2010 AND 2009

CASH FLOWS FROM OPERATING ACTIVITIES	2010	2009
Change in net assets	\$ 34,901	\$ 10,464
Adjustments to reconcile to net cash used in operating activities -		
Depreciation	5,477	2,310
Loss on disposal of property	1,200	195
Changes in operating assets and liabilities -		
Increase in prepaid expenses	(6,601)	-
Decrease (increase) in due from affiliate	1,029	(19,769)
Net Cash Provided by (Used in) Operating Activities	36,006	(6,800)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(6,871)	(26,261)
Net Cash Used in Investing Activities	(6,871)	(26,261)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	29,135	(33,061)
 CASH AND CASH EQUIVALENTS -		
Beginning of year	36,721	69,782
End of year	\$ 65,856	\$ 36,721

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

RAVENSWOOD COMMUNITY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

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 800 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 Saints' Episcopal Church in Chicago, Episcopal Charities and Community Services and the Greater Chicago Food Depository. The Organization and All Saints' Episcopal Church share office space and use one common payroll system. Certain individuals are in management positions of both Organizations.

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.

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, 2010 and 2009 depreciation charges totaled \$5,477 and \$2,310, respectively.

RAVENSWOOD COMMUNITY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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 800 individuals volunteer their time annually to perform a variety of tasks, such as coordinating and managing stock deliveries, 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.

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, 2010 and 2009.

Subsequent Events - The Organization has evaluated subsequent events through May 31, 2011, and there were no additional items identified that would impact the financial statements for the year ended December 31, 2010.

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, 2010 and 2009.

Due From Affiliate - The Organization's salaries are paid by All Saints' Episcopal Church (the common paymaster). Salaries and taxes paid to All Saints' totaled \$106,493 and \$85,910 for the years ended December 31, 2010 and 2009, respectively. All Saints gives monthly contributions to the organization. The contributions totaled \$16,000 and \$16,520 for the years ended December 31, 2010 and 2009, respectively. The amount due from affiliate at December 31, 2010 and 2009, is a result of the net effect of rent, payroll and contributions. As of December 31, 2010, management believes the monies due from affiliate are fully collectable and therefore no allowance for doubtful accounts is necessary.

RAVENSWOOD COMMUNITY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

3. PROPERTY AND EQUIPMENT

Balances of major classes of depreciable assets as of December 31, 2010 and 2009 are as follows (at cost):

	<u>2010</u>	<u>2009</u>
Kitchen equipment	\$ 25,716	\$ 20,045
Computer equipment	16,822	16,822
Less accumulated depreciation	<u>(8,603)</u>	<u>(3,126)</u>
	<u>\$ 33,935</u>	<u>\$ 33,741</u>

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, 2010 and 2009, are as follows:

	<u>2010</u>	<u>2009</u>
Food donations	\$ 11,621	\$ 5,396
Equipment donations	<u>2,807</u>	<u>7,966</u>
Total Donations	<u>\$ 14,428</u>	<u>\$ 13,362</u>