

THE RIVERSIDE FOUNDATION
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

THE RIVERSIDE FOUNDATION

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Riverside Foundation

Report on the Financial Statements

We have audited the accompanying financial statements of The Riverside Foundation (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018 and the related statements of activities and cash flows for the years 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.

Auditors' Responsibility

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 of America. Those standards require that we plan and perform the audits 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. 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 The Riverside Foundation as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Disclaimer of Opinion on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of revenues and expenditures on pages 20 through 23, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Marcum LLP

Deerfield, IL
November 20, 2019

THE RIVERSIDE FOUNDATION
STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 600,043	\$ 798,793
Accounts receivable - net of allowance for doubtful accounts	406,729	403,017
Other current assets	<u>9,921</u>	<u>10,441</u>
Total Current Assets	<u>1,016,693</u>	<u>1,212,251</u>
Property, Plant and Equipment		
Land	403,000	403,000
Building and improvements	2,702,665	2,683,366
Leasehold improvements	996,150	996,150
Vehicles	390,274	374,474
Furniture and fixtures	751,322	717,820
Equipment	<u>349,843</u>	<u>340,405</u>
Total Cost	5,593,254	5,515,215
Less: Accumulated depreciation	<u>(4,376,556)</u>	<u>(4,197,082)</u>
Property, Plant and Equipment, Net	<u>1,216,698</u>	<u>1,318,133</u>
Other Assets		
Deferred compensation - investments	41,485	39,168
Other non-current assets	<u>17,000</u>	<u>17,000</u>
Total Other Assets	<u>58,485</u>	<u>56,168</u>
Total Assets	<u><u>\$ 2,291,876</u></u>	<u><u>\$ 2,586,552</u></u>

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

THE RIVERSIDE FOUNDATION
STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2019 AND 2018

	2019	2018
Liabilities and Net Assets		
Current Liabilities		
Current portion of long-term debt	\$ 25,167	\$ 23,883
Accounts payable	77,187	69,793
Accrued expenses		
Accrued wages and bonus	171,200	158,919
Interest payable	2,060	2,562
Accrued vacation	86,198	97,564
Due to IDPA	43,253	--
Other current liabilities	33,547	37,848
Total Current Liabilities	438,612	390,569
Long-Term Liabilities		
Long-term debt - mortgage, net of current portion	445,662	470,828
Deferred compensation - officers	41,485	39,168
Total Long-Term Liabilities	487,147	509,996
Total Liabilities	925,759	900,565
Net Assets		
Without donor restrictions	494,855	770,493
Without donor restrictions - board designated	851,512	851,512
With donor restrictions	19,750	63,982
Total Net Assets	1,366,117	1,685,987
Total Liabilities and Net Assets	\$ 2,291,876	\$ 2,586,552

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

THE RIVERSIDE FOUNDATION

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
Changes in Net Assets Without Donor Restrictions		
Resident Income		
Public aid, Social Security and Veterans Affairs	\$ 6,415,378	\$ 6,379,653
DPA Mt. St. Joseph	140,602	141,612
Private	14,042	21,466
Other resident income	20,971	42,175
Total Resident Income	<u>6,590,993</u>	<u>6,584,906</u>
Operating Expenses		
Nursing service	1,439,418	1,148,416
Social service	120,000	127,466
Program service	2,005,268	2,131,863
Dietary	638,257	613,042
Laundry and linen	156,142	153,374
Housekeeping	181,932	180,180
Building maintenance	919,943	932,186
Administration	872,512	964,657
Employee welfare	726,478	731,324
Taxes and interest	296,101	302,096
Total Operating Expenses	<u>7,356,051</u>	<u>7,284,604</u>
Net Operating Loss	<u>(765,058)</u>	<u>(699,698)</u>
Other Income		
Contributions and fundraising, net	385,362	284,399
Grants	39,000	126,025
Interest income	5,554	6,569
Other income	15,272	36,900
Net assets released from restriction	44,232	--
Total Other Income	<u>489,420</u>	<u>453,893</u>
Change in Net Assets Without Donor Restrictions	<u>\$ (275,638)</u>	<u>\$ (245,805)</u>

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

THE RIVERSIDE FOUNDATION

STATEMENTS OF ACTIVITIES (CONTINUED)

FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
Changes in Net Assets With Donor Restrictions		
Net assets released from restriction	\$ (44,232)	\$ --
Total Change in Net Assets	(319,870)	(245,805)
Net Assets - Beginning	<u>1,685,987</u>	<u>1,931,792</u>
Net Assets - Ending	<u>\$ 1,366,117</u>	<u>\$ 1,685,987</u>

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

THE RIVERSIDE FOUNDATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
Cash Flows From Operating Activities		
Change in net assets	\$ (319,870)	\$ (245,805)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	179,474	185,519
Bad debt expense (recovery)	(16,024)	35,478
Change in operating assets and liabilities:		
Accounts receivable	12,312	945,256
Prepaid expenses and other current assets	520	(520)
Accounts payable	7,397	(70,447)
Accrued expenses, due to IDPA and other current liabilities	39,363	27,053
Total Adjustments	223,042	1,122,339
Net Cash (Used in) Provided by Operating Activities	(96,828)	876,534
Cash Flows Used in Investing Activities		
Acquisition of property and equipment	(78,040)	(71,536)
Cash Flows From Financing Activities		
Payments on line of credit - net	--	(100,000)
Payments on long-term debt	(23,882)	(27,440)
Net Cash Used in Financing Activities	(23,882)	(127,440)
Net (Decrease) Increase in Cash and Cash Equivalents	(198,750)	677,558
Cash and Cash Equivalents - Beginning	798,793	121,235
Cash and Cash Equivalents - Ending	\$ 600,043	\$ 798,793

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

THE RIVERSIDE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

The Riverside Foundation (the "Organization") is an Illinois nonprofit corporation which operates a facility located in Lincolnshire, Illinois and is licensed annually by the Illinois Department of Public Health ("IDPH").

The Organization provides care and housing for adults with developmental disabilities in a 97 bed Intermediate Care Facility ("ICF")/ Mental Retardation ("MR") facility. This includes, but is not limited to active treatment, medical treatment, and the general well-being of all clients. The Organization also provides a developmental training program that serves the residents of the facility as well as adults from another ICF/MR facility and individuals living in the community.

In April 2015, the Organization started providing Community Integrated Living Arrangements ("CILA"). CILA are group homes that let residents live independently while still receiving assistance from the Organization. As of June 30, 2019 and 2018, the Organization operates three CILA homes with 12 residents.

CASH FLOWS

The Organization considers cash equivalents to be all highly liquid investments with a maturity of three months or less when purchased.

Cash flows from operating activities reflect cash payments for interest of \$25,403 and \$27,896 for the years ended June 30, 2019 and 2018.

CASH BALANCES IN EXCESS OF INSURED AMOUNTS

The Organization maintains its cash in accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses due to these limits.

INVESTMENTS

Investments in marketable securities are carried at fair value based upon quoted market prices. Purchases and sales of securities are recorded on a trade-date basis. Realized and unrealized gains and losses and investment income and losses derived from investment transactions are included as revenue in the year earned.

THE RIVERSIDE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ACCOUNTS RECEIVABLE, NET

Accounts receivable consists of charges to residents for products and services delivered, for developmentally disabled individuals for rehabilitation services provided to them directly, and various government agencies for job placement and rehabilitation services provided to disabled individuals. Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to the change in net assets without donor restrictions and a credit to the valuation allowance based on its assessment of the current status of individual accounts. The Organization has deemed that an allowance for doubtful accounts of \$298,815 is necessary for the years ended June 30, 2019 and 2018, respectively. Balances that are still outstanding after management has used reasonable collection efforts are considered past due and are written off through a charge to the valuation allowance and a credit to accounts receivable. Interest is not assessed on balances outstanding.

INCOME TAXES

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. Therefore, the Organization has made no provision for income taxes in the accompanying financial statements. Income unrelated to the Organization's exempt purpose would be subject to federal and state taxes. Management does not believe there is any unrelated business income.

Accounting principles generally accepted in the United States of America ("GAAP") requires management to evaluate the tax positions taken and recognize a tax liability (or asset) if the Organization has taken an uncertain tax position that more likely than not would not be sustained upon examination by taxing authorities. Management has analyzed the tax positions taken and has concluded that as of June 30, 2019 and 2018, there are no uncertain tax positions taken or expected to be taken that would require recognition of a tax liability (or asset) or disclosure in the financial statements. The Organization accounts for any potential interest or penalties related to the possible future liabilities for unrecognized income tax benefits as other expense. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods pending or in progress.

THE RIVERSIDE FOUNDATION
NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

PROPERTY AND EQUIPMENT AND DEPRECIATION AND AMORTIZATION

Property and equipment are carried at cost. It is the Organization's policy to capitalize expenditures for long-lived assets if they are over \$500. Repairs and maintenance are charged to expense, and renewals and betterments that extend the useful lives of assets are capitalized. When property and equipment are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the results of operations for the respective period.

Depreciation expense for the years ended June 30, 2019 and 2018 was \$179,474 and \$185,519, respectively. Depreciation is provided using the straight-line method over the following estimated useful lives:

	Years
Building and improvements	10-30
Leasehold improvements	5-10
Vehicles	5-7
Furniture and fixtures	5-10
Equipment	5-10

Leasehold improvements are amortized over the shorter of the lease term or estimated useful life.

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. There were no impairment losses as of June 30, 2019 and 2018.

CLASSES OF NET ASSETS

The accounts of the Organization are maintained in accordance with the principles of fund accounting, whereby resources are classified for accounting and reporting purposes into net assets established according to their nature and purposes.

Net Assets Without Donor Restrictions

Represents the portion of expendable funds that are available for the daily operations of the Organization, which are not limited by donor restriction on use.

THE RIVERSIDE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CLASSES OF NET ASSETS (CONTINUED)

Net Assets Without Donor Restrictions - Board Designated

Consists of board-designated funds to support its long-term objectives, plans and requirements. The fund was created using operating cash and receivables. Additions to the fund and any use of board-designated funds must be approved by the board of directors.

Net Assets With Donor Restrictions

Consists of donor-restricted contributions received with purpose restrictions related to future expenditures for Community Integrated Living Arrangements ("CILA"). Upon satisfaction of the purpose restrictions, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction.

NEW ACCOUNTING PRONOUNCEMENT

On August 18, 2016, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information presented about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly. The major changes of the ASU affecting the Organization include (a) requiring representation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions" (b) requiring the disclosure of qualitative and quantitative information regarding the liquidity and availability of resources, and (c) incorporating additional detail regarding reporting expenses by both nature and function.

USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP 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 revenues and expenses during the reporting period. While actual results may differ from those estimates, management does not expect the differences, if any, to have a material effect on the financial statements.

THE RIVERSIDE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DATE OF MANAGEMENT'S REVIEW

The Organization evaluated all significant events or transactions that occurred through November 20, 2019, the date the financial statements were available to be issued.

NOTE 2 - REVENUE RECOGNITION

Revenue and the related accounts receivable is recognized for each day a resident resides in the facility or for each month or part of a month an individual is enrolled in the developmental training program. The amounts are based on a reimbursement methodology determined by the rules and regulations of the applicable third-party payor or by the facility for private pay residents. The third-party payor rules and regulations and required record keeping and documentation requirements are complex and noncompliance may result in delay, adjustment or loss of revenue.

A majority of the Organization's revenue is based on the rules of the following third-party payor:

Healthcare and Family Services ("HFS") – the Medicaid program – A daily rate, \$140.41, as of July 1, 2018 is established utilizing three components – capital, support and nursing services. The daily rate is determined after the timely filing of an annual cost report. Amounts billed under the Medicaid program can take 30-60 days or more for collection. The amounts paid are subject to audit and are frequently adjusted on a retroactive basis, normally for a period of one to two years. In addition to the daily rate, a monthly rate of \$991.67 and \$961.00, as of August 1, 2018 and August 1, 2017, is established prospectively in a reimbursement contract with HFS. This contract, which is renewed annually, is for the operation of the developmental training program of the Organization. This contract is subject to audit by the granting agency. The Organization believes that no significant adjustment will arise from an audit.

THE RIVERSIDE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 2 - REVENUE RECOGNITION (CONTINUED)

Monthly revenue received for the CILA homes is based on annual resident contract amounts and is received from public aid, Social Security, VA and private pay. Rates are based upon resident needs and range from \$56,000 to \$73,000 per resident, per year. The Organization receives a one-time fee of \$2,500 per resident for personal furnishings. Additional revenue for the operations of the CILA homes is funded through contributions and grants.

Contributions, including unconditional promises to give, are reported at fair value when received. All contributions are available without donor restrictions unless explicit donor stipulations specify how or when the contributions may be used. Donor-restricted contributions whose restrictions have been met in the same reporting period are reported as without donor restrictions support. Unconditional promises to give due in subsequent years are reported at the present value of their estimated future cash flows, using risk-free interest rates applicable to those years in which the promises are to be received.

NOTE 3 - NOTE PAYABLE - MORTGAGE

In September 2008, the Organization entered into a note payable – mortgage agreement for \$750,000. The note was payable in monthly installments of principal and interest payments of \$5,268 with interest at a rate of 5.75%. In October of 2012, the loan was modified resulting in a change in rate to 5.25%, monthly principal and interest payments of \$5,075 and a new maturity date of November 1, 2017. Subsequently, the loan was again modified to change the interest rate to prime (4.25% as of June 30, 2017) plus 1%, to change the payments to interest only and to require a balloon payment of the principal due upon maturity at November 30, 2019. In October of 2017, the loan was modified resulting in monthly principal and interest payments in the amount of \$4,107, an interest rate of 5.25% and requires a balloon payment of the principal due upon maturity at November 1, 2022. The mortgage is secured by the building.

THE RIVERSIDE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 3 - NOTE PAYABLE - MORTGAGE (CONTINUED)

Maturities of the note payable as of June 30, 2019 in the aggregate and for each of the next four years are as follows:

For the Years Ending June 30,	Amount
2020	\$ 25,167
2021	26,521
2022	27,947
2023	<u>391,194</u>
Total	470,829
Less: current portion	<u>(25,167)</u>
Long-Term Portion	<u>\$445,662</u>

Interest expense related to the note payable - mortgage for the years ended June 30, 2019 and 2018 was \$24,901 and \$27,896, respectively.

NOTE 4 - FAIR VALUE MEASUREMENTS AND INVESTMENTS

The Organization's financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy that gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). The levels of the fair value hierarchy are as follows:

Level 1

Inputs are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.

Level 2

Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads, and yield curves.

THE RIVERSIDE FOUNDATION
NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 4 - FAIR VALUE MEASUREMENTS AND INVESTMENTS (CONTINUED)

Level 3

Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Organization's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

An asset's or a liability's classification is based on the lowest level input that is significant to its measurement. Valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2019 and 2018.

Mutual Funds

Mutual funds are valued at the quoted price for shares held by the Organization and are generally categorized in Level 1 of the fair value hierarchy.

Equities

Valued at the closing price reported on the active market in which the individual securities are traded.

The following table provides information as of June 30, 2019 and 2018, about the Organization's investments measured at fair value on a recurring basis:

Description	June 30, 2019 (Level 1)	June 30, 2018 (Level 1)
Mutual Funds		
Money market	\$14,835	\$14,602
Equities		
Domestic – large cap stock	4,001	3,554
Mixed stock and debt funds	21,607	20,005
International	<u>1,042</u>	<u>1,007</u>
Total	<u>\$41,485</u>	<u>\$39,168</u>

The Organization's policy is to recognize transfers in and transfers out as of the actual date of the event or change in circumstance that caused the transfer. The Organization had no transfers into or out of levels of the fair value hierarchy during the years ended June 30, 2019 and 2018.

THE RIVERSIDE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 5 - LEASES

The Organization has entered into a lease agreement for its developmental training program. Under the terms of the lease, monthly rent is payable in advance and increases ratably over its term. The Organization is also responsible for a portion of the real estate taxes and minor maintenance. The lease expired July 31, 2015 and was subsequently renewed for the period from August 1, 2015 to July 31, 2020.

The Organization also is a co-signor for the three CILA homes. Under the terms of the leases, monthly rent is payable in advance and the Organization and tenants are responsible for all repairs to the properties. The leases expire on various dates between February 2020 and June 2020 and are renewable annually.

Rent expense for the years ended June 30, 2019 and 2018 totaled \$281,478 and \$297,439, respectively. Rent expense includes maintenance fees and real estate taxes.

Future minimum annual rental payments to be paid by the Organization, in the aggregate and for the next two years are as follows:

For the Years Ending	
June 30,	Amount
2020	\$226,406
2021	<u>15,531</u>
Total	<u>\$241,937</u>

NOTE 6 - NON-QUALIFIED DEFERRED COMPENSATION

In prior years, the Organization established a deferred compensation plan for the executive director and associate director. The plan is governed by Section 457 of the Internal Revenue Code. Under this non-qualified deferral agreement, the assets associated with the deferred compensation amount remain the property of the Organization. The Organization invested these funds on behalf of the eligible employees in money market and mutual fund accounts, primarily consisting of domestic stock and bond funds. The investments are stated at fair market value at the end of the year based on unadjusted quoted prices for identical assets in active markets. In addition to carrying this investment as a non-current asset, the Organization records a corresponding liability captioned deferred compensation. The Organization recognizes no revenue for this non-qualified deferred compensation plan. The plan provides for annual contributions on behalf of the participants. Under the terms of the agreement, the compensation to be paid will equal the assets held in the cash and investment accounts. The Organization made no contributions to the plan for the years ended June 30, 2019 and 2018. The Board of Directors voted to freeze the plan in 2010.

THE RIVERSIDE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 7 - ASSESSMENT PROVIDER TAX

The Organization is responsible for the assessment provider tax. The State of Illinois collects the assessment provider tax from ICF/MR facilities in Illinois. Total provider assessment taxes for the years ended June 30, 2019 and 2018 were \$271,200 and \$274,200, respectively.

NOTE 8 - FUNDRAISING EXPENSES

The Organization incurred \$76,256 and \$57,910 in fundraising expenses for the years ended June 30, 2019 and 2018, respectively. These amounts have been included on the statement of activities with contributions and fundraising, net.

NOTE 9 - FUNCTIONAL EXPENSES

The cost of providing the various programs and other activities has been summarized on an operational basis in the statement of activities. These costs have been summarized on a functional basis between programs and supporting services benefited for the years ended June 30, 2019 and 2018 as follows:

	2019		
	Program Services	Supporting Services	Total
Salaries	\$3,539,078	\$ 585,903	\$4,124,981
Employee benefits	623,291	103,187	726,478
Contract services	722,198	--	764,242
Supplies	189,502	--	189,502
Utilities and maintenance	141,780	--	141,780
Rent	281,478	--	281,478
Food	211,430	--	211,430
Resident needs	66,547	--	66,547
Depreciation	163,357	16,117	179,474
Insurance	--	50,796	50,796
Auto and transportation	129,773	73,892	203,665
Professional fees	--	59,303	59,303
Administrative	--	60,574	60,574
Assessment taxes	271,200	--	271,200
Interest	24,901	--	24,901
Total	<u>\$6,364,235</u>	<u>\$991,816</u>	<u>\$7,356,051</u>

THE RIVERSIDE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 9 - FUNCTIONAL EXPENSES (CONTINUED)

	2018		
	Program Services	Supporting Services	Total
Salaries	\$3,630,846	\$ 605,493	\$4,236,339
Employee benefits	623,291	103,187	726,478
Contract services	432,265	6,673	438,938
Supplies	189,502	--	189,502
Utilities and maintenance	141,780	--	141,780
Rent	297,439	--	297,439
Food	205,997	--	205,997
Resident needs	76,139	--	76,139
Depreciation	167,022	18,497	185,519
Insurance	--	45,367	45,367
Auto and transportation	111,578	47,031	158,069
Professional fees	--	125,965	125,965
Administrative	--	134,128	134,128
Assessment taxes	274,200	--	274,200
Interest	27,896	--	27,896
Total	<u>\$6,196,923</u>	<u>\$1,087,681</u>	<u>\$7,284,604</u>

Salaries have been allocated based upon the functions of each individual. The employee benefits have been allocated based on the percent of each category of salaries to total salaries. Depreciation has been allocated based upon specific identification of the assets. Supporting services for contract services and auto and transportation directly correlates with the specific identification of the services performed.

NOTE 10 - LINE OF CREDIT

The Organization has a \$500,000 line of credit arrangement with Baxter Credit Union which is secured by the building. The line of credit matures on November 30, 2019, and has a stated interest rate of 5.25%. The Organization had no balance on the line of credit as of June 30, 2019 and 2018.

THE RIVERSIDE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 11 - RELATED PARTY TRANSACTIONS

During the years ended June 30, 2019 and 2018, the Organization received contributions of approximately \$31,340 and \$27,400, respectively from members of the board of directors.

NOTE 12 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following table reflects the Organization's financial assets as of June 30, 2019 and 2018.

	June 30, 2019	June 30, 2018
Cash and cash equivalents	\$ 600,043	\$ 798,793
Accounts receivable - net	<u>406,729</u>	<u>403,017</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$1,006,772</u>	<u>\$1,201,810</u>

The Organization does not have a policy to maintain a minimum amount of financial assets to be available as general expenditures come due. In addition, the Organization has \$500,000 of proceeds available from a line of credit to fund any cash flow needs.