

COMMUNITY RESOURCES FOR EDUCATION & WELLNESS, INC.

AUDITED FINANCIAL STATEMENTS

APRIL 30, 2010

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Community Resources for Education & Wellness, Inc.
Zion, Illinois

We have audited the accompanying Statement of Financial Position of Community Resources for Education & Wellness, Inc. (an Illinois nonprofit organization) as of April 30, 2010, and the related Statement of Activities, Statement of Cash Flows and Statement of Functional Expenses for the year 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 audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the 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 audit provides 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 Community Resources for Education & Wellness, Inc. as of April 30, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Evoy, Kamschulte Jacobs & Co LLP

EVOY, KAMSCHULTE, JACOBS & CO. LLP

Waukegan, Illinois
December 21, 2010

COMMUNITY RESOURCES FOR EDUCATION & WELLNESS, INC.

STATEMENT OF FINANCIAL POSITION

APRIL 30, 2010

ASSETS

CURRENT ASSETS

| | | |
|---------------------------|----|---------------|
| Cash and Cash Equivalents | \$ | 25,812 |
| Accounts Receivable | | 44,294 |
| Prepaid Insurance | | 2,029 |
| | \$ | <u>72,135</u> |

PROPERTY, PLANT AND EQUIPMENT

| | | |
|--------------------------------|----|--------------|
| Equipment | \$ | 8,520 |
| Less: Accumulated Depreciation | | (1,579) |
| | \$ | <u>6,941</u> |

TOTAL ASSETS

\$ 79,076

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

| | | |
|------------------|----|--------|
| Accounts Payable | \$ | 64,205 |
|------------------|----|--------|

NET ASSETS

| | | |
|--------------|--|---------------|
| Unrestricted | | <u>14,871</u> |
|--------------|--|---------------|

TOTAL LIABILITIES AND NET ASSETS

\$ 79,076

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

COMMUNITY RESOURCES FOR EDUCATION & WELLNESS, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED APRIL 30, 2010

REVENUES

Revenues

| | |
|-------------------|-----------|
| Program Fees | \$ 12,681 |
| PEC Fees | 4,700 |
| Medicare/Medicaid | 83,364 |
| Grants | 85,068 |
| Patient Fees | 67,249 |
| Miscellaneous | 1,067 |
| Emergency Relief | 525 |
| Insurance | 5,772 |
| Donations | 1,472 |
| Fundraisers | 8,234 |

Total Revenue \$ 270,132

EXPENSES

| | |
|---------------------|------------|
| Program Services | \$ 285,887 |
| Supporting Services | 6,114 |

Total Expenses \$ 292,001

CHANGE IN UNRESTRICTED NET ASSETS \$ (21,869)

UNRESTRICTED NET ASSETS - BEGINNING OF YEAR 36,740

UNRESTRICTED NET ASSETS - END OF YEAR \$ 14,871

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

COMMUNITY RESOURCES FOR EDUCATION & WELLNESS, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED APRIL 30, 2010

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|---|-----------------|
| Change in Net Assets | \$ (21,869) |
| Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities | |
| Depreciation | 1,337 |
| (Increase) Decrease in Assets | |
| Accounts Receivable | (15,233) |
| Prepaid Insurance | (24) |
| Increase (Decrease) in Liabilities | |
| Accounts Payable | 38,462 |
| | <u>\$ 2,673</u> |

CASH FLOWS FROM INVESTING ACTIVITIES

| | |
|-----------------------|-------------------|
| Purchase of Equipment | <u>\$ (6,285)</u> |
|-----------------------|-------------------|

NET INCREASE (DECREASE) IN CASH \$ (3,612)

CASH AND CASH EQUIVALENTS - MAY 1, 2009 29,424

CASH AND CASH EQUIVALENTS - APRIL 30, 2010 \$ 25,812

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

COMMUNITY RESOURCES FOR EDUCATION & WELLNESS, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED APRIL 30, 2010

| | <u>Program Services</u> | <u>Management & General</u> | <u>Total</u> |
|-----------------------------|-----------------------------|-------------------------------------|-------------------|
| Personal Services | | | |
| Health Insurance | \$ 3,244 | \$ 360 | \$ 3,604 |
| Contractual Services | | | |
| Contracted Service | \$ 189,158 | \$ 3,860 | \$ 193,018 |
| Accounting | 508 | - | 508 |
| Legal | 213 | - | 213 |
| Depreciation | - | 1,337 | 1,337 |
| Technical Services | 2,278 | - | 2,278 |
| Counseling Service | 33,683 | - | 33,683 |
| Other Professional Services | 21,170 | - | 21,170 |
| Postage | 882 | 46 | 928 |
| Telephone | 3,065 | 341 | 3,406 |
| Publishing/Advertising | 1,580 | - | 1,580 |
| Printing | 504 | - | 504 |
| Dues and Subscriptions | 269 | 14 | 283 |
| PEC Expense | 2,223 | - | 2,223 |
| Emergency | 200 | - | 200 |
| Drug Testing | 632 | - | 632 |
| Liability Insurance | 5,875 | - | 5,875 |
| Travel/Meetings | 1,814 | - | 1,814 |
| Training/Conferences | 1,522 | - | 1,522 |
| Internet Service | 1,399 | 156 | 1,555 |
| Building Rent | 8,020 | - | 8,020 |
| Equipment Maintenance | 240 | - | 240 |
| | <u>\$ 275,235</u> | <u>\$ 5,754</u> | <u>\$ 280,989</u> |
| Commodities | | | |
| Office Supplies | \$ 4,738 | \$ - | \$ 4,738 |
| Equipment | 1,120 | - | 1,120 |
| | <u>\$ 5,858</u> | <u>\$ -</u> | <u>\$ 5,858</u> |
| Other Expenses | | | |
| Miscellaneous | \$ 1,434 | \$ - | \$ 1,434 |
| Donation Recognition | 116 | - | 116 |
| | <u>\$ 1,550</u> | <u>\$ -</u> | <u>\$ 1,550</u> |
| Total Expenses | <u>\$ 285,887</u> | <u>\$ 6,114</u> | <u>\$ 292,001</u> |

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

COMMUNITY RESOURCES FOR EDUCATION & WELLNESS, INC.

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2010

NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Community Resources Education & Wellness, Inc. (CREW)'s mission is delivering social services that strengthen the individual and the community by pairing resources with human needs. CREW's vision is creating opportunities to enhance individual lives and strengthen our communities.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in which revenue is recognized when earned and expenses are recognized when incurred.

Allocation of Expenses

The costs of providing the various programs and other activities have been summarized in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Public Support and Receipts

Donations are generally available for unrestricted use unless otherwise indicated.

Estimates

The preparation of financial statements in conformity with the accrual basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the checking account represents the only cash equivalent.

Fixed Assets

Fixed Assets are valued at cost and are depreciated over their useful lives, using the Straight-Line method of depreciation.

Income Taxes

The Organization is a not-for-profit organization and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as "Other than a Private Foundation."

COMMUNITY RESOURCES FOR EDUCATION & WELLNESS, INC.

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2010

(Continued)

Financial Statement Presentation

The Organization has adopted Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organization. Under SFAS No. 117, the Organization is required to report information regarding the financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As permitted by the statement, the Organization does not use fund accounting. As of April 30, 2010, the Organization has only unrestricted net assets.

Contributions

In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted support that increases those net asset classes. When a temporary restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement Activities as Net Assets Released from Restriction.

Contracted Services

CREW has an agreement with Zion Township to provide staff on behalf of CREW. For the year ended April 30, 2010, CREW incurred \$193,018 in expenses for these contracted services.

Concentrations of Funding Sources

Approximately 11% of CREW's operating income was derived from grants received from Zion Township; and approximately 14% of operating income was derived from grants received from Lake County, Illinois.

Donated Services

The Organization receives donated services from unpaid volunteers who assist in the management of the organization, fund-raising, and special projects. No amounts have been recognized in the Statement of Activities because the criteria for recognition under SFAS No. 116 have not been satisfied.

Subsequent Events

Management has evaluated subsequent events to December 31, 2010, the date which the financial statements were available to be issued, and determined that the following contracted services information is the only reportable event that has occurred.

As of July 12, 2010, CREW's contract with Zion Township has ended. Subsequently, CREW has contracted with NICASA for these services.