



PATTERSON, HARDEE & BALLENTINE, P.C.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Rochelle Center

Report on the Financial Statements

We have audited the accompanying financial statements of The Rochelle Center (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses and cash flows for the year 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.

Auditor's Responsibility

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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit 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 auditor's 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 Rochelle Center as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited The Rochelle Center's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 16, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 26, 2019, on our consideration of The Rochelle Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The Rochelle Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Rochelle Center's internal control over financial reporting and compliance.

Patterson Handley & Ballentine

September 10, 2019

THE ROCHELLE CENTER
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019
WITH SUMMARIZED COMPARATIVE TOTALS AS OF JUNE 30, 2018

ASSETS

	<u>2019</u>	<u>2018</u>
Current Assets:		
Cash	\$ 1,485,270	\$ 1,074,312
Investments	9,858	7,649
Receivables	340,305	313,029
Prepaid expenses	52,085	23,859
Total current assets	<u>1,887,518</u>	<u>1,418,849</u>
Property and Equipment:		
Land	41,051	41,051
Buildings	2,648,229	2,811,625
Equipment	1,497,511	1,535,466
	<u>4,186,791</u>	<u>4,388,142</u>
Less: accumulated depreciation	<u>(2,958,429)</u>	<u>(3,091,868)</u>
Total property and equipment, net	<u>1,228,362</u>	<u>1,296,274</u>
Assets Whose Use is Limited:		
Restricted cash	14,360	14,360
Restricted investments - Community Foundation	10,410	9,898
Total assets whose use is limited	<u>24,770</u>	<u>24,258</u>
Total assets	<u><u>\$ 3,140,650</u></u>	<u><u>\$ 2,739,381</u></u>

See accompanying notes to the financial statements.

THE ROCHELLE CENTER
STATEMENT OF FINANCIAL POSITION (CONTINUED)
JUNE 30, 2019
WITH SUMMARIZED COMPARATIVE TOTALS AS OF JUNE 30, 2018

LIABILITIES AND NET ASSETS

	<u>2019</u>	<u>2018</u>
Current Liabilities:		
Current installments of long-term debt	\$ 5,615	\$ 125,121
Accounts payable	31,921	53,613
Accrued expenses	111,609	80,304
Total current liabilities	<u>149,145</u>	<u>259,038</u>
Long-term debt, net of current installments	<u>285,727</u>	<u>292,943</u>
Total liabilities	<u>434,872</u>	<u>551,981</u>
Net Assets:		
Without donor restrictions	2,681,008	2,163,142
With donor restrictions	<u>24,770</u>	<u>24,258</u>
Total net assets	<u>2,705,778</u>	<u>2,187,400</u>
Total liabilities and net assets	<u>\$ 3,140,650</u>	<u>\$ 2,739,381</u>

See accompanying notes to the financial statements.

THE ROCHELLE CENTER
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019
WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2018

	Without Donor Restrictions	With Donor Restrictions	2019	2018
Public Support and Revenues:				
Gross special event revenue	\$ 262,971	\$ -	\$ 262,971	\$ 203,540
Less direct cost of special events	(170,871)	-	(170,871)	(134,335)
Net special events revenue	92,100	-	92,100	69,205
Public support:				
Contributions	21,018	-	21,018	74,826
Government contracts	2,981,072	-	2,981,072	2,896,537
Program fees	6,142	-	6,142	11,835
Residential income	236,738	-	236,738	205,253
Investment income, net	11,262	512	11,774	2,080
Total public support	3,256,232	512	3,256,744	3,190,531
Other Revenue:				
Gain on sale of assets	281,534	-	281,534	-
Total public support and revenue	3,629,866	512	3,630,378	3,259,736
Expenses:				
Program services:				
Developmental services	704,968	-	704,968	669,747
Residential services	1,813,427	-	1,813,427	1,849,492
Supported employment	103,239	-	103,239	116,397
Total program services	2,621,634	-	2,621,634	2,635,636
Supporting services:				
Management and general	485,989	-	485,989	401,915
Fundraising	4,377	-	4,377	37,085
Total supporting services	490,366	-	490,366	439,000
Total expenses	3,112,000	-	3,112,000	3,074,636
Increase in net assets	517,866	512	518,378	185,100
Net assets - beginning of year	2,163,142	24,258	2,187,400	2,002,300
Net assets - end of year	\$ 2,681,008	\$ 24,770	\$ 2,705,778	\$ 2,187,400

See accompanying notes to the financial statements.