

# **Rattle the Stars, NFP**

Champaign, Illinois

Financial Statements

For the Year Ended June 30, 2019

Feller & Kuester CPAs LLP  
Certified Public Accountants  
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# *Feller & Kuester CPAs LLP*

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of  
Rattle the Stars, NFP  
Champaign, Illinois

We have reviewed the accompanying financial statements of Rattle the Stars, NFP (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets - modified cash basis as of June, 30 2019, and the related statements of support, revenue, and expenses - modified cash basis, functional expenses – modified cash basis, and cash flows – modified cash basis for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for 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.

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### **Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting.

### **Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting,

which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

**Supplementary Information**

The supplementary information included on pages 11 to 13 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with the modified cash basis of accounting. We have not audited the information and, accordingly, do not express an opinion on such information.

*Feller & Kuester CPAs LLP*

Feller & Kuester CPAs LLP  
Champaign, Illinois

November 13, 2019

**RATTLE THE STARS, NFP**  
**STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS -**  
**MODIFIED CASH BASIS**  
**JUNE 30, 2019**

**ASSETS**

<b>Current Assets</b>	
Cash and Cash Equivalents	\$ 195
<b>Noncurrent Assets</b>	
Property and Equipment, Net of Accumulated Depreciation	<u>2,638</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 2,833</u></u>

**LIABILITIES AND NET ASSETS**

<b>Current Liabilities</b>	
Payroll Taxes Payable	\$ 425
Reimbursement Due to Employee	<u>3,191</u>
Total Current Liabilities	<u>3,616</u>
<b>Net Assets</b>	
Without Donor Restrictions	<u>(783)</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 2,833</u></u>

See Accompanying Notes and Independent Accountant's Review Report.

**RATTLE THE STARS, NFP**  
**STATEMENT OF SUPPORT, REVENUE, AND EXPENSES -**  
**MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Without Donor Restrictions
<b>Support and Revenue</b>	
Grants and Contracts	\$ 54,500
Contributions	10,848
Sale of Goods	1,665
Total Support and Revenue	67,013
 <b>Expenses</b>	
Program Services:	
Youth Suicide Prevention Education	49,434
Supporting Services:	
Management & General	14,776
Total Expenses	64,210
Increase (Decrease) in Net Assets	2,803
Net Assets, Beginning of Year	(3,586)
Net Assets, End of Year	\$ (783)

See Accompanying Notes and Independent Accountant's Review Report.

**RATTLE THE STARS, NFP**  
**STATEMENT OF FUNCTIONAL EXPENSES -**  
**MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Program Services	Supporting Services	
	Youth Suicide Prevention Education	Management & General	Totals
Salaries / Wages	26,250	8,750	35,000
Payroll Taxes	2,635	878	3,513
Worker's Compensation Insurance	350	117	467
Event Expenses	10,945	-	10,945
Professional Development	2,458	820	3,278
Program Supplies	1,623	541	2,164
Professional Fees	-	1,944	1,944
Other Insurance	1,323	441	1,764
Small Equipment	931	310	1,241
Office Supplies	921	307	1,228
Other General Operating Expenses	883	295	1,178
Prizes and Giveaways	589	197	786
Local Transportation	375	125	500
Depreciation	151	51	202
Total Expenses	<u>\$ 49,434</u>	<u>\$ 14,776</u>	<u>\$ 64,210</u>

See Accompanying Notes and Independent Accountant's Review Report.

**RATTLE THE STARS, NFP**  
**STATEMENT OF CASH FLOWS -**  
**MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Increase (Decrease) in Net Assets	\$ 2,803
Adjustments to Reconcile Change In Net Assets to Net Cash Provided by (Used in) Operating Activities:	
Depreciation Expense	202
Increase (Decrease) in Operating Liabilities:	
Payroll Taxes Payable	425
Reimbursement Due to Employee	<u>(448)</u>
Net Cash Provided by (Used in) Operating Activities	<u>2,982</u>

**CASH FLOWS FROM INVESTMENT ACTIVITIES**

Purchases of Property and Equipment	<u>(2,840)</u>
Net Cash Provided by (Used in) Investment Activities	<u>(2,840)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

None	<u>-</u>
Net Cash Provided by (Used in) Financing Activities	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	142
Beginning Cash and Cash Equivalents	<u>53</u>
Ending Cash and Cash Equivalents	<u><u>\$ 195</u></u>

See Accompanying Notes and Independent Accountant's Review Report.



**RATTLE THE STARS, NFP**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

Rattle the Stars, NFP (the Organization) is a nonprofit organization which was incorporated under the laws of the State of Illinois on June 30, 2016. The Organization's mission is to raise awareness about youth depression and other mental illnesses and to prevent suicide in teens and young adults. The Organization accomplishes this goal by starting the conversation and helping people talk openly and honestly about mental illness and suicide. The Organization hosts and take part in events throughout the year to make sure that they keep these issues at the forefront in the community. The Organization provides resources and supports for teachers, coaches, and others to build conversations about mental illness and suicide into their work with youth. The Organization provides outlets for people who have been affected by mental illness and suicide to share their experiences and express their feelings. The main sources of revenue for the Organization include grants and contracts and contributions.

**Subsequent Events**

Subsequent events have been evaluated through November 13, 2019, which is the date the financial statements were available to be issued.

**Basis of Reporting**

The Organization maintains accounting records on the cash basis modified to record assets and liabilities resulting from cash transactions. Revenue is recognized when received rather than when earned and expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying financial statements are not intended to and do not present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

**Cash and Cash Equivalents**

For purposes of reporting cash flows, cash and cash equivalents include all cash and highly liquid investments acquired with an original maturity date of three months or less.

**Property and Equipment**

Property and equipment are capitalized at cost. Donated property and equipment are capitalized at estimated cost or fair market value at the time of donation. Property and equipment are capitalized when the costs exceed \$500. The cost of normal maintenance and repairs that do not add to the value of the asset or increase the functionality of the asset are not capitalized. Depreciation of the assets is computed using the straight-line method over their estimated useful lives. The range of estimated useful lives by type of asset is as follows:

Furniture and Equipment	5 years
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**RATTLE THE STARS, NFP**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**Net Assets**

Net assets of the Organization and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Net Assets with Donor Restrictions - Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. The Organization did not have any net assets with donor restrictions as of June 30, 2019.

**Grants and Contracts Revenue**

Grants and contracts funds received with only general restrictions and public donations are considered to be available for unrestricted use unless specifically restricted by the donor. When such restrictions exist, the revenue is recorded with net assets with donor restrictions until the restrictions are met.

Under the modified cash basis of accounting, grants and contracts revenue is recognized when the funds are received.

**Contributed Goods and Services**

The modified cash basis of accounting does not require that contributed goods and services are recognized. Therefore, no contributed goods and services are recorded on the financial statements.

**Income Tax Status**

The Organization is a nonprofit organization that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Internal Revenue Service has determined that the Organization is not a private foundation as defined in Section 509(a)(1) and Section 170(b)(1)(A)(vi) of the Code.

The Organization has evaluated its exposure resulting from uncertain income tax position and determined the exposure is not material to the financial statements. In addition, the Organization is not aware of any tax position for which a significant change is reasonably possible within the next 12 months. Therefore, these financial statements do not include a liability for uncertain tax positions. Upon recognition of a liability for an uncertain tax position, the Organization would recognize interest expense and penalties in operating expenses.

**RATTLE THE STARS, NFP**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

The Organization files information tax returns in the U.S. federal jurisdiction and the state of Illinois. The Organization currently has no federal and Illinois information tax returns that are closed. The Organization does not have any tax returns currently under examination by either the Internal Revenue Service (IRS) or any U.S. state jurisdiction.

**Use of Estimates in Preparing Financial Statements**

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

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of support, revenue, and expenses – modified cash basis and statement of functional expenses – modified cash basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Expenses which are easily and directly associated with a particular program or supporting service are charged directly to that functional area. Expenses which are not easily and directly associated with a particular program or supporting service have been allocated on the basis of estimates of time and effort. During the year ended June 30, 2019, all indirect expenses were allocated 75% to program services – youth suicide prevention education and 25% to supporting services – management & general.

**New Accounting Pronouncement**

On August 18, 2016, FASB issued 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 provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly.

**NOTE 2 – CONCENTRATIONS OF CREDIT RISK**

Financial instruments that potentially subject the Organization to credit risk consist principally of checking and savings accounts at financial institutions. At June 30, 2019, the Organization had a total book and bank balance which includes cash and cash equivalents of \$128 and \$1,244, respectively. These funds were held at two financial institutions. The balances as of June 30, 2019 were insured by the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Administration up to \$250,000 per financial institution. The total bank balance as of June 30, 2019 was fully insured. In addition, the Organization had undeposited funds of \$67 at June 30, 2019. Since these funds were not yet deposited with a financial institution it was not covered by FDIC or NCUA.

**RATTLE THE STARS, NFP**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

NOTE 3 – PROPERTY AND EQUIPMENT

At June 30, 2019, Property and Equipment consisted of the following:

Furniture and Equipment	\$ 2,840
Total Property and Equipment	<u>2,840</u>
Less: Accumulated Depreciation	<u>(202)</u>
Property and Equipment, Net of Accumulated Depreciation	<u><u>\$ 2,638</u></u>

During the year ended June 30, 2019, the Organization had depreciation expense of \$202.

NOTE 4 – REIMBURSEMENT DUE TO EMPLOYEE

As of June 30, 2019, the Organization owed an employee \$3,191 for expenses paid personally. No formal agreement has been established for this liability. In addition, no interest is being paid on this liability. This amount was included with current liabilities since repayment is expected within a year.

NOTE 5 – GRANTS AND CONTRACTS REVENUE AND ECONOMIC DEPENDENCY

During the year ended June 30, 2019, the Organization received \$54,500 of grants and contracts from Champaign County Mental Health Board. This represents 81 percent of the Organization’s total support and revenue. A significant reduction in the level of this support, if this were to occur, may have a significant effect on the Organization’s programs and activities.

NOTE 6 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the date of the statement of assets, liabilities, and net assets – modified cash basis, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of those dates. Amounts available include donor restricted amounts that are available for general expenditure in the following year.

	<u>June 30, 2019</u>
Fiscal Assets at Year-End	
Cash and Cash Equivalents	<u>\$ 195</u>
Financial Assets Available to Meet Cash Needs for General Expenditure Within One Year	<u><u>\$ 195</u></u>

As part of the Organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Excess cash is generally held in checking and savings accounts until it is required for operational use.

**RATTLE THE STARS, NFP**  
**SCHEDULE OF OPERATING INCOME BY CCMHB FUNDED PROGRAM -**  
**MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

		Youth Suicide Prevention Education		
		CCMHB	Other	Total
		Revenue	Operating	Program
			Income	Operating
			Related to	Income
			Program	
<b>Operating Income</b>				
1	CC United Way Allocation	\$ -	\$ -	\$ -
2	CC United Way Designated Donations	-	-	-
3	Contributions	-	10,848	10,848
4	Special Events / Fundraising	-	-	-
5	Contrib / Assoc Organizations	-	-	-
6	Allocations Other U-Way	-	-	-
7	Grants - CCMHB	54,500	-	54,500
8	Membership Dues	-	-	-
9	Program Service Fees - CCMHB	-	-	-
10	Sales of Goods and Services	-	1,665	1,665
11	Interest Income	-	-	-
12	Rental Income	-	-	-
13	In-Kind Contributions	-	-	-
14	Miscellaneous	-	-	-
	<b>Total Operating Income</b>	<u>\$ 54,500</u>	<u>\$ 12,513</u>	<u>\$ 67,013</u>

See Independent Accountant's Review Report.

**RATTLE THE STARS, NFP**  
**SCHEDULE OF OPERATING EXPENSES BY CCMHB FUNDED PROGRAM -**  
**MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

		<u>Youth Suicide Prevention Education</u>				
			Other		Direct	
			Operating	Total	Management	
			Expenses	Program	& General	
		CCMHB	Related to	Operating	Expenses	Total
		Expenses	Program	Expenses	Expenses	Expenses
<b>Operating Expenses</b>						
1	Salaries / Wages	\$ 35,000	\$ -	\$ 35,000	\$ -	\$ 35,000
2	Payroll Taxes	3,513	-	3,513	-	3,513
3	Benefits	467	-	467	-	467
4	Professional Fees / Consultants	-	-	-	1,944	1,944
5	Client Wages / Benefits	-	-	-	-	-
6	Consumables	2,469	-	2,469	-	2,469
7	General Operating	6,433	10,404	16,837	-	16,837
8	Occupancy	-	-	-	-	-
9	Conferences / Staff Development	3,278	-	3,278	-	3,278
10	Local Transportation	500	-	500	-	500
11	Specific Assistance	-	-	-	-	-
12	Equipment Purchases	2,840	-	2,840	-	2,840
13	Lease / Rental	-	-	-	-	-
14	Membership Dues	-	-	-	-	-
15	Interest Expense	-	-	-	-	-
16	Fund Raising Activities	-	-	-	-	-
17	Cost of Production	-	-	-	-	-
18	Miscellaneous	-	-	-	-	-
	<b>Total Operating Expenses</b>	<u>\$ 54,500</u>	<u>\$ 10,404</u>	64,904	1,944	66,848
	Allocation of Management & General Expenses			(12,781)	12,781	-
	Purchases of Property and Equipment			(2,840)	-	(2,840)
	Depreciation			151	51	202
	<b>Total Expenses</b>			<u>\$ 49,434</u>	<u>\$ 14,776</u>	<u>\$ 64,210</u>

See Independent Accountant's Review Report.

## CCMHB Auditor's Checklist

Agencies are responsible for completion and inclusion of the checklist by the Certified Public Accountant hired to prepare the review. The checklist is to be attached to the Schedule of Operating Expenses by CCMHB Funded Program – Modified Cash Basis.

- a. No Agency has Board-approved financial procedures in place that include separation of duties for preparation of payment authorization, approval of authorization and check signatories. – See Comment #1
- b. X Board review of financial statements at Agency Board meetings. Source Document – Board meeting minutes dated January 22, 2019
- c. X Board Minutes with motion approving CCMHB grant applications for current year. Minutes Dated June 24, 2018 (Grant Period July 1, 2018 to June 30, 2019).
- d. X Board minutes with motion approving budget for Fiscal Year under review. Minutes Dated June 24, 2018
- e. N/A Verification the agency has fulfilled its response to any findings or issues cited in the most recent Auditor's issuing of a Management Letter. – See Comment #2
- f. No Demonstration of tracking of staff time (e.g. time sheets). – See Comment #3
- g. X Proof of payroll tax payments for one quarter. Payment Dates – Quarter Ended March 31, 2019: Department of Treasury (2/8/2019; 2/27/2019; 3/8/2019; 3/27/2019); Illinois Department of Revenue (3/8/2019; 4/8/2019); Illinois Department of Employment Securities (4/12/2019)
- h. X Form 941 or IL-941 or UC3. Compare payroll tax amounts and alignment to period. Dated Quarter Ended March 31, 2019
- i. X W-2s and W-3. Compare to the gross on 941. Dated Year Ended December 31, 2018
- j. X Verify proof of 501-C-3 status (IRS Letter), if applicable. (Latest IRS Determination Letter Dated November 22, 2016)
- k. X IRS 990 Form or AG990-IL. Confirm that 501-C-3 status is maintained. Dated Calendar Year Ended December 31, 2018
- l. X Secretary of State Annual Report. Dated August 28, 2019

Comment #1 – Currently the Executive Director prepares the payment authorization, approves the payment authorization, and signs checks.

Comment #2 – Since this is the first review of financial statements for the Organization, there was nothing to test in this area.

Comment #3 – The Organization only has one employee and that employee is paid salary. The salary paid for the year ended June 30, 2019 agrees with the salary budgeted in the CCMHB grant application.

See Independent Accountant's Review Report.