

Financial Statements

Regional Access Project Foundation

June 30, 2018

Maryanov Madsen Gordon & Campbell
CERTIFIED PUBLIC ACCOUNTANTS - A Professional Corporation

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Regional Access Project Foundation

We have audited the accompanying financial statements of Regional Access Project Foundation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, 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.

Auditors' 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. 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 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 auditors consider 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.

To the Board of Directors of
Regional Access Project Foundation

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Regional Access Project Foundation as of June 30, 2018, and the changes in their 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 Regional Access Project Foundation's June 30, 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 6, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Maryann Mader Gordon & Campbell

Palm Springs, California
September 20, 2018

REGIONAL ACCESS PROJECT FOUNDATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2018
WITH COMPARATIVE TOTALS FOR JUNE 30, 2017

ASSETS

	2018	2017
ASSETS		
Cash and cash equivalents	\$ 828,794	\$ 664,349
Cash held for others	4,156	4,906
Accounts receivable	3,350	3,711
County tax increment funding receivable	763,036	744,238
Investments - mutual funds	402,464	388,831
Assets held by community foundations	302,958	410,349
Deposits	16,320	16,670
Prepaid expenses	183,351	105,972
Property and equipment, net	3,051,374	2,798,059
Total assets	\$ 5,555,803	\$ 5,137,085

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable	\$ 15,991	\$ 14,968
Accrued payroll	25,228	38,054
Grants payable	83,440	37,750
Deferred revenue	6,207	10,322
Tenant deposits	13,850	6,650
Agency funds held for others	4,156	4,906
Total liabilities	148,872	112,650
 NET ASSETS		
Unrestricted		
Board designated - building reserve fund	50,000	50,000
Undesignated	5,164,573	4,793,759
Temporarily restricted	5,214,573	4,843,759
	192,358	180,676
Total net assets	5,406,931	5,024,435
Total liabilities and net assets	\$ 5,555,803	\$ 5,137,085

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

REGIONAL ACCESS PROJECT FOUNDATION

STATEMENTS OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2018
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017

	Unrestricted	Temporarily Restricted	Totals	
			2018	2017
REVENUES				
County tax increment revenue	\$ 1,356,371	\$ -	\$ 1,356,371	\$ 1,297,295
Contributions	74,918	85,094	160,012	139,521
Grants	235,000	100,000	335,000	115,687
In-kind revenue	7,500	-	7,500	41,911
Membership	5,713	-	5,713	2,897
Interest	17,533	-	17,533	53,670
Gain (loss) on investments	39,387	-	39,387	(24,667)
Unrealized gain (loss) on investments	(11,638)	-	(11,638)	156,914
Other income	880	-	880	9,807
Rental income	188,342	-	188,342	87,147
Net assets released from restrictions	173,412	(173,412)	-	-
Total revenues	2,087,418	11,682	2,099,100	1,880,182
OPERATING EXPENSES				
Program services				
Grant allocations	728,727	-	728,727	751,644
Center for Nonprofit Advancement	513,749	-	513,749	409,228
Other programs	64,559	-	64,559	110,931
Total program services	1,307,035	-	1,307,035	1,271,803
Supporting services				
General administration	405,177	-	405,177	272,586
Fundraising	4,393	-	4,393	4,865
Total supporting services	409,570	-	409,570	277,451
Total operating expenses	1,716,604	-	1,716,604	1,549,254
CHANGE IN NET ASSETS	370,814	11,682	382,496	330,928
NET ASSETS, beginning of year	4,843,759	180,676	5,024,435	4,693,507
NET ASSETS, end of year	\$ 5,214,573	\$ 192,358	\$ 5,406,931	\$ 5,024,435

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

REGIONAL ACCESS PROJECT FOUNDATION
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017

	Grant Allocations	Center for Nonprofit Advancement	Other Programs	Total Program Services	General Administration	Fundraising	Totals	
							2018	2017
Salaries	\$ 71,928	\$ 111,581	\$ 9,848	\$ 193,357	\$ 159,713	\$ 1,346	\$ 354,416	\$ 343,233
Advertising and marketing	1,194	8,297	4,530	14,021	916	113	15,050	28,591
Bank and investment fees	10	635	-	645	3,973	2,354	6,972	21,223
Building maintenance	-	141,928	-	141,928	9,657	-	151,585	27,628
Communications	400	4,408	-	4,808	7,430	-	12,238	13,900
Computer services	8,324	14,256	1,500	24,080	9,261	-	33,341	17,462
Depreciation expense	9,726	9,725	-	19,451	77,805	-	97,255	42,159
Employee benefits	8,054	23,787	1,167	33,008	38,728	-	71,736	78,208
Equipment lease & administration	1,376	3,645	-	5,021	1,998	-	7,019	6,516
Event expenses	86	59,424	44,278	103,788	2,676	-	106,464	94,516
Grants to exempt organizations	571,185	-	-	571,185	-	-	571,185	563,818
Insurance	756	3,343	62	4,161	14,279	14	18,454	19,252
Office expenses	1,740	8,712	204	10,656	20,000	-	30,656	30,610
Other program expenses	36,152	127	1,918	38,197	270	85	38,552	71,868
Payroll taxes	8,383	13,337	762	22,482	15,242	381	38,105	29,305
Postage and printing	-	-	-	-	285	-	285	321
Professional services	4,050	4,585	-	8,635	28,195	-	36,830	63,610
Rent	-	-	-	-	-	-	-	34,946
Retirement plan	4,216	6,600	290	11,106	6,905	68	18,079	17,106
Technical assistance to other organizations	-	86,986	-	86,986	1,000	-	87,986	25,945
Training, conferences, and meetings	779	11,708	-	12,487	3,895	32	16,414	13,628
Travel and mileage	368	665	-	1,033	2,949	-	3,982	5,409
Total expenses	<u>\$ 728,727</u>	<u>\$ 513,749</u>	<u>\$ 64,559</u>	<u>\$ 1,307,035</u>	<u>\$ 405,177</u>	<u>\$ 4,393</u>	<u>\$ 1,716,604</u>	<u>\$ 1,549,254</u>

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

REGIONAL ACCESS PROJECT FOUNDATION

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 382,496	\$ 330,928
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	97,256	42,159
Gift in kind revenue	(7,500)	(41,911)
Gift in kind expense	-	23,000
Net realized and unrealized (gain) loss on investments and assets held by community foundations	(27,749)	(132,246)
Changes in operating assets and liabilities:		
Accounts receivable	361	12,808
County tax increment funding receivable	(18,798)	31,902
Loan receivable	-	48,957
Deposits	350	(16,670)
Prepaid expenses	(77,379)	(82,273)
Accounts payable	1,023	(5,538)
Accrued payroll	(12,826)	(6,517)
Grants payable	45,690	(49,250)
Deferred revenue	(4,115)	7,322
Tenant Deposits	7,200	6,650
	<u>386,009</u>	<u>169,321</u>
Net cash provided by operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(110,464)	-
Proceeds from investments	231,971	2,322,715
Purchases of property and equipment	(343,071)	(2,612,184)
	<u>(221,564)</u>	<u>(289,469)</u>
Net cash used by investing activities		
Net increase (decrease) in cash and cash equivalents	164,445	(120,148)
Cash and cash equivalents, beginning of year	<u>664,349</u>	<u>784,497</u>
Cash and cash equivalents, end of year	<u>\$ 828,794</u>	<u>\$ 664,349</u>

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

REGIONAL ACCESS PROJECT FOUNDATION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Regional Access Project Foundation (the Foundation) was incorporated on October 8, 1992, for the purpose of enhancing and facilitating health, mental health, and juvenile services in eastern Riverside County, California. The Foundation's corporate offices are located in Palm Desert, California. The Foundation's primary program services include financial grants and technical assistance to qualified exempt organizations throughout eastern Riverside County. The Foundation is both publicly and privately funded. The Foundation's primary source of annual funding is tax increment funds (sales tax) received under an agency agreement with the County of Riverside (the County). Approximately 65% of the Foundation's support for the year ended June 30, 2018 came from tax increment funds received under this agency agreement. The Foundation also receives grants from other exempt organizations, governmental agencies and foundations, as well as private contributions from individuals.

Program Services

The Foundation provides the following program services:

Grant Allocations to Other Exempt Entities – The Foundation provides cash grants to tax exempt entities that provide health, mental health, or juvenile intervention services to residents of eastern Riverside County. Cash grants are funded annually from the tax increment funding received under the agreement with the County of Riverside.

Center for Nonprofit Advancement (CNA) – While cash grants are a major part of the Foundation's activities, grants of technical assistance became a priority when it was found that a variety of exempt organizations did not have the tools necessary to manage their organization or grants. The Technical Assistance Program (TAP) was established and funded by monies received annually from the tax increment funding received under the agreement with the County of Riverside. In 2016, the program was expanded to provide training and capacity building for a variety of exempt organizations. The program was renamed to the Center for Nonprofit Advancement.

Other Grants and Programs – Other grants and programs are funded through a variety of grants and contributions.

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REGIONAL ACCESS PROJECT FOUNDATION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Tax Status

The Foundation, a California not-for-profit Corporation, is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Franchise Tax Code.

The Foundation follows accounting standards relating to accounting for uncertainty in income taxes. These standards provide guidance for the accounting and disclose uncertain tax positions taken by an organization. Management assessed whether there were any uncertain tax positions which may require accrual or disclosure and determined that there were no such matters requiring recognition in the accompanying financial statements. The Foundation is subject to examination by the Internal Revenue Service for fiscal year ended June 30, 2015, through its current fiscal year, and by the Franchise Tax Board for fiscal year ended June 30, 2014, through its current fiscal year.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting.

A nonprofit organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations, but may be designated for specific purposes by action of the Board of Directors.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that may be met either by actions of the Foundation and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations requiring that they be maintained permanently by the Foundation. Income generated from these assets may or may not be restricted.

The Foundation did not have any permanently restricted net assets as of June 30, 2018.

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REGIONAL ACCESS PROJECT FOUNDATION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of support and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

Contributions are recognized as revenue when they are unconditionally pledged.

The Foundation reports contributions as restricted if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, when a stipulated time restriction ends, or purpose restriction is accomplished, temporarily restricted revenues are reclassified to unrestricted revenues and reported in the statement of activities as net assets released from restrictions. Restricted contributions for which restrictions are satisfied in the year received are classified as unrestricted contributions in the Foundation's financial statements.

Contributions of services are recognized if the services received (a) create or enhance the nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The Foundation reports such contributions at their estimated fair value when received. During the year ended June 30, 2018, no material contributions of services were recorded.

The annual tax increment funding from the County of Riverside is accrued each quarter based upon calculations provided by the County.

Continued

REGIONAL ACCESS PROJECT FOUNDATION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For purposes of reporting cash, the Foundation considers all highly-liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Financial instruments that potentially subject the Foundation to concentration of credit risk are cash and cash equivalents. The Foundation maintains their cash accounts with various financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Cash balances may exceed the FDIC insured levels at various times during the year. The Foundation believes there is little risk in any losses and has not experienced any losses in such amounts. At June 30, 2018, the Foundation did not have any funds in excess of the insured amount.

County Tax Increment Funding Receivable and Other Receivables

Receivables are stated at net realizable values. The Foundation uses the allowance method to determine uncollectible accounts receivable. The allowance is a management estimate based upon previous collection experience and analysis of specific accounts. In the opinion of management, all of the accounts receivable balances at year-end are considered fully collectible. No allowance for doubtful accounts has been recorded as of June 30, 2018.

Investments

All of the Foundation's investments are invested in mutual funds and are held at readily determinable fair values and reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by the passage of time or by use) in the reporting period in which the income and gains are recognized.

Continued

REGIONAL ACCESS PROJECT FOUNDATION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets Held by Community Foundations

In July 2013, the Foundation transferred unrestricted funds totaling \$2,000,000 to two community foundations, Desert Community Foundation and The Community Foundation. These assets were transferred to these community foundations under reciprocal transactions. Under the Foundation's agreements with the two community foundations, the community foundations will hold, manage, and reinvest the funds, collect the income and pay and disburse the net income and principal to the Foundation for its exempt purposes. Accordingly, the Foundation has reported such funds and the related income as unrestricted assets in the accompanying financial statements. Income payments received during the year on these funds are reported as unrestricted investment income. Changes in the value of the funds are reported as unrestricted gains or losses. \$124,801 was transferred to the operating account from Desert Community Foundation and the account closed in September of 2017.

Property and Equipment

Property and equipment are recorded at cost when purchased, or at fair market value at the date of the donation. The Foundation has a minimum capitalization policy of \$500. Depreciation is calculated using the straight-line method over the assets' estimated useful lives as follows:

Office equipment	3 – 7 years
Computer equipment	3 – 7 years
Tenant improvements	3 – 7 years

Depreciation expense for the year ended June 30, 2018 was \$97,256.

Grants Payable

The Foundation accrues expenses for grants to tax exempt entities in the year that the grant is expected to benefit supported organizations. Grants that benefit multiple fiscal years are allocated to each fiscal year depending on the amount of benefit to be received each period by the grantee.

Continued

REGIONAL ACCESS PROJECT FOUNDATION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Agency Funds Held for Others

From time to time, the Foundation enters into agency service agreements with other exempt organizations. Funds held on behalf of other agencies are maintained in separate accounts and are disbursed in accordance with directives from those entities. Such funds are reported as an offsetting asset and liability on the statement of financial position.

Functional Allocation of Expense

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the various programs and supporting services benefited. General administration and fundraising expenses are separately reported and have not been allocated to program services. As a result, the expenses reported for the program services do not include the overhead costs required to support the programs.

NOTE 2: FAIR VALUE MEASUREMENTS

The Foundation follows accounting standards relating to fair value measurements which define fair value, establishes a framework for measuring fair value in accordance with accounting principles generally accepted in the United States of America, and expands disclosure about fair value measurements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The accounting standard relating to the fair value measurements establishes a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three-level valuation hierarchy on inputs is summarized as follows:

- Level 1 quoted prices for identical assets or liabilities in active markets at the measurement date.
- Level 2 observable inputs other than quoted prices as described in Level 1 for the asset or liability through corroboration with market data at the measurement date.
- Level 3 unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

Continued

REGIONAL ACCESS PROJECT FOUNDATION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2: FAIR VALUE MEASUREMENTS (Continued)

As of June 30, 2018, the Foundation's financial instruments consist of cash and cash equivalents, investments, and assets held by community foundations. The fair values of the Foundation's financial instruments excluding investments and assets held by community foundations approximate their fair values because of the short-term nature of these instruments.

Assets and liabilities at fair value on a recurring basis are summarized as follows:

	Fair Value Measurements at June 30 2018			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
<u>Assets</u>				
Investment – mutual funds	\$ 402,464	\$ -	\$ -	\$ 402,464
Assets held by community foundations	<u>-</u>	<u>302,958</u>	<u>-</u>	<u>302,958</u>
	<u>\$ 402,464</u>	<u>\$ 302,958</u>	<u>\$ -</u>	<u>\$ 705,422</u>

The Foundation has investments in mutual funds which are based upon quoted market prices at June 30, 2018.

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2018 was comprised of the following:

Building	\$ 2,559,528
Computer equipment	91,226
Office equipment	84,252
Tenant improvements	<u>537,764</u>
	3,272,770
Less accumulated depreciation	<u>(221,396)</u>
	<u>\$ 3,051,374</u>

REGIONAL ACCESS PROJECT FOUNDATION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 4: COMMITMENTS

Grant Funding Commitments

As of June 30, 2018, the Foundation has committed to fund \$716,933 of grants to other exempt organizations for current and future fiscal years. The Foundation will expense the grants in the fiscal year that the grant funding is expected to benefit the supported organizations. As of June 30, 2018, the Foundation has deferred \$169,605 of the \$302,265 paid on this commitment.

NOTE 5: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following as of June 30, 2018:

Special events	\$ 42,301
Palm Desert Sheriff's station funds	100,000
Prevent Child Abuse Riverside County - restricted funds	10,175
Desert Legal Foundation	<u>39,882</u>
	<u>\$ 192,358</u>

NOTE 6: NET ASSETS RELEASED FROM RESTRICTION

Temporarily restricted net assets were released from the following purposes during the year ended June 30, 2018:

Special events	\$ 86,074
Golden Voice	84,838
Other programs	<u>2,500</u>
	<u>\$ 173,412</u>

NOTE 7: UNRESTRICTED BOARD CONTRIBUTED FUNDS

Contributions made by board members are separately traced as unrestricted funds, and are to be used in the future as best determined by the board and management. These funds allow the Foundation to fund activities under the Foundation's exempt purpose that would otherwise not be eligible under the agreement with the County of Riverside.

REGIONAL ACCESS PROJECT FOUNDATION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 8: FUNDING FROM RIVERSIDE COUNTY

The Foundation is party to an agreement with the County of Riverside entitled "County of Riverside Service Agreement" dated March 29, 2016 (which superseded the August 16, 1994 agreement) (County Agreement), pursuant to which the County agreed to distribute to the Foundation certain sales tax funds received by the County. The County's Governmental Revenue Sharing Agreements with the City of Palm Desert (the City) contains a provision that the City shall pay to the County the amount of redevelopment "tax increment that is equal to the amount of sales taxes paid to the City from the redevelopment site" (Alternative Funding Provisions).

The term of the County Agreement is through June 30, 2020, unless the County notifies the Foundation of its intent to terminate pursuant to Section 5 of the County Agreement, which allows for termination upon 30 days written notice. Based upon the fact that no such termination notice has been received by the Foundation, and the fact that the County Agreement can be terminated prospectively upon written notice, management is of the opinion that the Foundation accrues the right to receive sums due under this agreement as of and when the County accrued the right to receive the applicable tax increment upon which payments to the Foundation are based. Accordingly, as previously described in Note 1, the Foundation has recorded a receivable of \$763,036 from the County as of June 30, 2018.

NOTE 9: GRANT ALLOCATIONS TO OTHER EXEMPT ENTITIES

As described in Note 1, the Foundation provides cash grants to tax exempt entities that provide health, mental health, or juvenile intervention services to residents of eastern Riverside County. For the year ended June 30, 2018, the Foundation provided grants for the following purposes:

General health grants	\$ 243,150
Mental health grants	425,045
Juvenile intervention grants	<u>70,500</u>
	<u>\$ 738,695</u>

NOTE 10: EMPLOYEE RETIREMENT BENEFIT PLAN

The Foundation contributes on behalf of its employees to a 401(k) retirement plan. All full-time employees who are at least 18 years of age are eligible to participate in the plan. Under this plan, the Foundation contributes a dollar for dollar match of the participating employees' deferral amounts each year, up to 5% of the employees' compensation for the plan year. The Foundation made \$18,079 of matching contributions to employee retirement plans during the year ended June 30, 2018.

REGIONAL ACCESS PROJECT FOUNDATION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 11: COMPARATIVE FINANCIAL STATEMENTS

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2017, from which the summarized information was derived.

Certain June 30, 2017 balance sheet and expense groupings have been changed to match the June 30, 2018 presentation. These groups have no effect on the net assets of the Foundation.

NOTE 12: SUBSEQUENT EVENTS

The Foundation evaluated subsequent events through September 20, 2018, when the financial statements were available to be issued, and determined the following event should be disclosed: