

**RIALTO SQUARE THEATRE FOUNDATION
(AN ILLINOIS NOT-FOR-PROFIT CORPORATION)**

**COMPONENT UNIT
FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

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To the Board of Directors
Rialto Square Theatre Foundation
Joliet, Illinois

Independent Auditor's Report

We have audited the accompanying financial statements of Rialto Square Theatre Foundation (an Illinois not-for-profit corporation), a component unit of Will County Metropolitan Exposition and Auditorium Authority, which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities, functional expenses, 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.

Auditor's 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 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 Rialto Square Theatre Foundation as of June 30, 2018 and 2017, 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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of organization data on page 17 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Wormer, Rogan, Durant & Arizon, L.L.C.

December 18, 2018

RIALTO SQUARE THEATRE FOUNDATION

Statements of Financial Position June 30,

ASSETS

| | 2018 | 2017 |
|----------------------------------|--------------|--------------|
| Current Assets | | |
| Cash | \$ 300,760 | \$ 191,525 |
| Pledges Receivable - Current | 700 | 6,050 |
| Accrued Interest Receivable | 4 | 4 |
| Grant Advance | 9,456 | 9,456 |
| Inventory | 11,212 | 10,032 |
| Due from WCMEAA | 615,299 | 678,014 |
| Total Current Assets | 937,431 | 895,081 |
| Non-Current Assets | | |
| Endowment Investments | 597,585 | 519,788 |
| Pledges Receivable - Non-Current | 250 | 1,500 |
| Total Non-Current Assets | 597,835 | 521,288 |
| Total Assets | \$ 1,535,266 | \$ 1,416,369 |

LIABILITIES AND NET ASSETS

| | | |
|---|--------------|--------------|
| Current Liabilities | | |
| Custodial Accounts | \$ 64,682 | \$ 86,368 |
| Due to WCMEAA | 42,436 | 42,436 |
| Deferred Revenue | 98 | 98 |
| Total Current Liabilities and Total Liabilities | 107,216 | 128,902 |
| Net Assets | | |
| Unrestricted | 406,313 | 272,283 |
| Permanently Restricted | 1,021,737 | 1,015,184 |
| Total Net Assets | 1,428,050 | 1,287,467 |
| Total Liabilities and Net Assets | \$ 1,535,266 | \$ 1,416,369 |

The Accompanying Notes are an Integral Part of These Statements.

RIALTO SQUARE THEATRE FOUNDATION

Statements of Activities
For the Years Ended June 30,

| CHANGES IN UNRESTRICTED NET ASSETS | 2018 | 2017 |
|---|-------------|-------------|
| Support and Revenue: | | |
| Direct Support | | |
| Grants | \$ 5,250 | \$ 164,139 |
| Fundraising, Net | (29,277) | 48,874 |
| Sustaining Fund | - | 56,677 |
| Donations | 324,808 | 60,386 |
| Total Direct Support | 300,781 | 330,076 |
| Revenue | | |
| Dividends | 7,359 | 7,873 |
| Other Income | 23,983 | 11,941 |
| Interest | 25,756 | 118 |
| Net Realized and Unrealized Gain (Loss) on Long-Term Investments | (1,595) | 49,143 |
| Total Revenue | 55,503 | 69,075 |
| Total Support and Revenue | 356,284 | 399,151 |
| Expenses | | |
| Program Services | 143,086 | 414,825 |
| Support Services | | |
| Management and General | 78,543 | 12,205 |
| Fundraising | 625 | 4,773 |
| Total Expenses | 222,254 | 431,803 |
| Increase (Decrease) in Unrestricted Net Assets | 134,030 | (32,652) |

The Accompanying Notes are an Integral Part of These Financial Statements.

CHANGES IN PERMANENTLY RESTRICTED NET ASSETS

| | <u>2018</u> | <u>2017</u> |
|---|-------------------------|-------------------------|
| Direct Support | | |
| Fundraising, Net | (1,518) | (1,822) |
| Endowment Donations | 1,303 | 2,535 |
| Preservation Dues | <u>6,768</u> | <u>6,298</u> |
| Increase in Permanently Restricted Net Assets | <u>6,553</u> | <u>7,011</u> |
| Increase (Decrease) in Net Assets | 140,583 | (25,641) |
| Net Assets, Beginning of Year | <u>1,287,467</u> | <u>1,313,108</u> |
| Net Assets, End of Year | <u>\$ 1,428,050</u> | <u>\$ 1,287,467</u> |

RIALTO SQUARE THEATRE FOUNDATION

Statement of Functional Expenses
For the Year Ended June 30, 2018

| | Program Services | Support Services | |
|-------------------------------|---------------------|---------------------------|-----------------|
| | | Management and General | Fund Raising |
| Support to Primary Government | \$ 143,086 | \$ - | \$ - |
| Professional Fees | - | 18,200 | - |
| Office Supplies | - | 6,119 | - |
| Licensing and Permits | - | 830 | - |
| Development Expenditures | - | - | 625 |
| Catering | - | 12,190 | - |
| Sales Tax | - | 2,083 | - |
| Marketing | - | 5,780 | - |
| Public Relations | - | 9,592 | - |
| Trust Fees | - | 3,217 | - |
| Insurance | - | 660 | - |
| Miscellaneous | - | 19,872 | - |
| | \$ 143,086 | \$ 78,543 | \$ 625 |
| Total Functional Expenses | \$ 143,086 | \$ 78,543 | \$ 625 |

Statement of Functional Expenses
For the Year Ended June 30, 2017

| | Program Services | Support Services | |
|-------------------------------|---------------------|---------------------------|-----------------|
| | | Management and General | Fund Raising |
| Support to Primary Government | \$ 414,825 | \$ - | \$ - |
| Office Supplies | - | 3,275 | - |
| Development Expenditures | - | - | 111 |
| Sustaining Fund Expenditures | - | - | 4,662 |
| Trust Fees | - | 6,581 | - |
| Insurance | - | 646 | - |
| Miscellaneous | - | 1,703 | - |
| | \$ 414,825 | \$ 12,205 | \$ 4,773 |
| Total Functional Expenses | \$ 414,825 | \$ 12,205 | \$ 4,773 |

The Accompanying Notes are an Integral Part of These Statements.

| <u>Total Support Services</u> | <u>Total</u> |
|-------------------------------|-------------------|
| \$ - | \$ 143,086 |
| 18,200 | 18,200 |
| 6,119 | 6,119 |
| 830 | 830 |
| 625 | 625 |
| 12,190 | 12,190 |
| 2,083 | 2,083 |
| 5,780 | 5,780 |
| 9,592 | 9,592 |
| 3,217 | 3,217 |
| 660 | 660 |
| <u>19,872</u> | <u>19,872</u> |
| <u>\$ 79,168</u> | <u>\$ 222,254</u> |

| <u>Total Support Services</u> | <u>Total</u> |
|-------------------------------|-------------------|
| \$ - | \$ 414,825 |
| 3,275 | 3,275 |
| 111 | 111 |
| 4,662 | 4,662 |
| 6,581 | 6,581 |
| 646 | 646 |
| <u>1,703</u> | <u>1,703</u> |
| <u>\$ 16,978</u> | <u>\$ 431,803</u> |

RIALTO SQUARE THEATRE FOUNDATION

Statements of Cash Flows
For the Years Ended June 30,

| | 2018 | 2017 |
|--|------------|-------------|
| Increase (Decrease) in Cash | | |
| Cash Flows from Operating Activities | | |
| Increase (Decrease) in Net Assets | \$ 140,583 | (\$ 25,641) |
| Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by (Used in) Operating Activities | | |
| Unrealized (Appreciation) Depreciation on Investments | 1,595 | (49,143) |
| Changes in Assets and Liabilities | | |
| Pledges Receivable | 6,600 | 650 |
| Inventory | (1,180) | (670) |
| Due from WCMEAA | 62,715 | (511,821) |
| Custodial Accounts | (21,686) | (24,480) |
| Due to WCMEAA | - | (1,153) |
| Deferred Revenue | - | (2,000) |
| Total Adjustments | 48,044 | (588,617) |
| Net Cash Provided by (Used in) Operating Activities | 188,627 | (614,258) |
| Cash Flows from Investing Activities | | |
| Purchase of Investments | (94,063) | (163,300) |
| Proceeds from Sale of Investments | 14,671 | 776,054 |
| Net Cash Provided by (Used in) Investing Activities | (79,392) | 612,754 |
| Net Increase (Decrease) in Cash | 109,235 | (1,504) |
| Cash, Beginning of Year | 191,525 | 193,029 |
| Cash, End of Year | \$ 300,760 | \$ 191,525 |

The Accompanying Notes are an Integral Part of These Statements.

RIALTO SQUARE THEATRE FOUNDATION

Notes to Financial Statements
June 30, 2018 and 2017

1. Summary of Significant Accounting Policies

Organization

The Rialto Square Theatre Foundation ("RSTF" or "Foundation") was established January 1, 1989 by the Will County Metropolitan Exposition and Auditorium Authority (WCMEAA). WCMEAA is a unit of local government created by the State of Illinois in 1978 and is the owner of the Rialto Square Theatre Complex, a grouping of commercial, office and theatre buildings in Joliet, Illinois. The RSTF currently has a 16 member Board of Directors.

The WCMEAA with the assistance of several community leaders and professional consultants, worked to establish RSTF to manage the theatre operations. As of January 1, 1994, the role of RSTF was significantly modified. This modification is a result of an agreement between WCMEAA and the City of Joliet. The revised purpose of RSTF is to conduct fundraising. All other activities that were the responsibility of the RSTF are now performed by the WCMEAA.

Financial Reporting Entity

Accounting principles generally accepted in the United States of America established by the Governmental Accounting Standards Board, defines a financial reporting entity and other entities that qualify as potential component units. The criterion for an entity to be a component unit of another entity (primary government) is for that primary government entity to have responsibility to oversee, this responsibility includes but is not limited to the following considerations: financial interdependency; selection of governing authority; designation of management; ability to significantly influence operations; accountability for fiscal matters; the scope of an organization's public service; and/or special financing relationships.

Based on the above criterion, the Rialto Square Theatre Foundation, for the year ended June 30, 2018, has met the definition as a component unit of the Will County Metropolitan Exposition and Auditorium Authority. The considerations for the Rialto Square Theatre Foundation to be a component unit of the Will County Metropolitan Exposition and Auditorium Authority are: ability to significantly influence operations and accountability for financial matters.

Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code as a charitable organization whereby only unrelated business income, as defined by Section 509(a)(1) of the Code, is subject to federal income tax. The Foundation currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded. The Foundation is not considered a private foundation.

Annually, the Foundation files Form 990, *Return of Organizations Exempt from Income Tax*, with the Internal Revenue Service. This form is open for public inspection. The Foundation believes that it has appropriate support for all tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

RIALTO SQUARE THEATRE FOUNDATION

Notes to Financial Statements
June 30, 2018 and 2017

1. Summary of Significant Accounting Policies

Accounting Basis

Assets and liabilities and revenues and expenses are accounted for on the accrual basis.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from estimated amounts.

Endowment Investments

Endowment investments consists of all donor restricted endowment contributions as well as any undistributed earnings. Earnings of the fund are unrestricted and may be used as directed by the Foundation Board of Directors. The endowment investments had net income of \$33,016 and \$59,274 for the years ended June 30, 2018 and 2017, respectively. These amounts include trust fees of \$3,217 and \$6,292 for the years ended June 30, 2018 and 2017, respectively.

Cash Equivalents

Cash equivalents consist of short-term, highly liquid investments that are readily convertible into cash within ninety days of purchase. Cash and cash equivalents are presented on both the Statement of Financial Position and the Statement of Cash Flows as "Cash".

Investments

Investments of the Foundation are stated at fair value (See note 4). Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair value. Unrealized gains and losses are included in the change in net assets.

Inventory

Inventories represent souvenirs for sale purchased by the Rialto Square Theatre Volunteers Organization. Inventories are stated at the lower of cost (first-in, first-out basis) or market.

Custodial Accounts

Custodial accounts are presented as a liability on the balance sheet. They represent amounts on deposit of the Rialto Square Theatre Volunteers Organization. The Rialto Square Theatre Volunteers Organization and Fund was established by the Board of Directors of the Rialto Square Theatre Foundation. The purpose of the organization is to provide volunteer manpower and to promote and support programs of the Rialto Square Theatre. The income generated is transferred to the Will County Metropolitan Exposition and Auditorium Authority to be used as directed by the Volunteer Board of Directors. At June 30, 2018, \$74,120 included in "Cash" represents volunteer funds.

RIALTO SQUARE THEATRE FOUNDATION

Notes to Financial Statements
June 30, 2018 and 2017

1. Summary of Significant Accounting Policies

Deferred Revenue

Deferred revenue at June 30, 2018 consists of sponsorship revenues outstanding for Arts in Education.

Revenue Recognition

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions that are restricted by the donor are reported as an increase in unrestricted net assets if the restriction expires in the fiscal year in which the contributions are recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending upon the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. An allowance for uncollectible pledges has not been recorded. Pledges for contributions are recorded as received. Investment income that is limited to specific uses by donor restrictions is reported as increases in unrestricted net assets if the restrictions are met in the same reporting period as the income is recognized.

Functional Expenses

Functional expenses have been allocated between program services and supporting services based on a method developed by the Foundation.

2. Restrictions on Assets

Permanently restricted net assets consist of Endowment fund contributions.

3. Pledges Receivable

Unconditional pledges receivable are as follows:

| | June 30, | |
|--|---------------|-----------------|
| | 2018 | 2017 |
| Receivable in Less Than One Year | \$ 700 | \$ 6,050 |
| Receivable in One to Five Years | <u>250</u> | <u>1,500</u> |
| Total Unconditional Pledges Receivable | <u>\$ 950</u> | <u>\$ 7,550</u> |

Pledges receivable are not discounted as collection is expected within two years. Any discount is likely immaterial.

RIALTO SQUARE THEATRE FOUNDATION

Notes to Financial Statements
June 30, 2018 and 2017

4. Endowment Investments

Endowment Investments at year-end are as follows:

| | 2018 | | 2017 | |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|
| | Cost | Market Value | Cost | Market Value |
| Money Market | \$ 100,847 | \$ 100,847 | \$ 97,826 | \$ 97,826 |
| Government Money | | | | |
| Market Funds | 10,721 | 10,736 | 30,503 | 30,523 |
| Equities | 16,793 | 21,174 | 21,040 | 23,191 |
| Mutual Funds | 175,622 | 202,309 | 60,700 | 84,544 |
| Fixed Income Mutual Funds | 264,628 | 262,519 | 130,835 | 129,610 |
| First Midwest Equity Funds | - | - | 59,674 | 64,646 |
| First Midwest Fixed Income Funds | - | - | 88,839 | 89,448 |
| | | | | |
| Total Investments | <u>\$ 568,611</u> | <u>\$ 597,585</u> | <u>\$ 489,417</u> | <u>\$ 519,788</u> |

The RSTF's investment policy requires that long-term investments may only be invested in:

- 1) Common stocks, with primary emphasis on high quality, investment grade, dividend-paying stocks in companies that are financially sound.
- 2) U.S. treasury securities, commercial paper rated A-1 or P-1, and money market securities.
- 3) Securities rated in the three highest categories by Moody's Investors Service or Standard and Poor's corporation.

Accounting principles generally accepted in the United States of America provide the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under U.S. GAAP are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in active markets;

RIALTO SQUARE THEATRE FOUNDATION

Notes to Financial Statements
June 30, 2018 and 2017

4. Endowment Investments

- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

The following descriptions of the valuation methods and assumptions used by the Foundation to estimate the fair values of investments apply to investments held directly by the Foundation.

Mutual Funds: The fair values of mutual fund investments are determined by obtaining quoted prices on nationally recognized securities exchanges (level 1 inputs).

Private Bank Mutual Funds: The fair values of private bank mutual funds are determined by fund managers based on the quoted prices of the underlying assets (level 2 inputs). Funds consist of investments with quoted prices on nationally recognized securities exchanges. The funds provide for daily redemptions by the Foundation at reported unit value, with no advance notification required.

Money Market: Fair values of money market deposit account balances have been determined based upon their quoted redemption prices and recent transaction prices of \$1.00 per share (level 2 inputs), with no discounts for credit quality or liquidity restrictions.

Each year, the investing plan will include a spending rate. Annual distributions may not exceed 5% equities of the fund balance after adjusting for inflation.

RIALTO SQUARE THEATRE FOUNDATION

Notes to Financial Statements
June 30, 2018 and 2017

4. Endowment Investments

The following are the major categories of assets measured at fair value on a recurring basis in the financial statements as of June 30, 2018 and 2017, respectively:

| | Level 1 | Level 2 | Level 3 | Total |
|-------------------------------|-------------------|-------------------|-------------|-------------------|
| Equities | \$ 21,174 | \$ - | \$ - | \$ 21,174 |
| Government Money Market Funds | 10,736 | - | - | 10,736 |
| Mutual Funds | - | 202,309 | - | 202,309 |
| Fixed Income Mutual Funds | - | 262,519 | - | 262,519 |
| Money Market | 100,847 | - | - | 100,847 |
| | <u>\$ 132,757</u> | <u>\$ 464,828</u> | <u>\$ -</u> | <u>\$ 597,585</u> |

| | Level 1 | Level 2 | Level 3 | Total |
|-------------------------------|-------------------|-------------------|-------------|-------------------|
| Equities | \$ 23,191 | \$ - | \$ - | \$ 23,191 |
| Government Money Market Funds | 30,523 | - | - | 30,523 |
| Mutual Funds | - | 84,544 | - | 84,544 |
| Fixed Income Mutual Funds | - | 129,610 | - | 129,610 |
| First Midwest Funds: | | | | |
| Domestic Equity Funds | - | 64,646 | - | 64,646 |
| Fixed Income Funds | - | 89,448 | - | 89,448 |
| Money Market | 97,826 | - | - | 97,826 |
| | <u>\$ 151,540</u> | <u>\$ 368,248</u> | <u>\$ -</u> | <u>\$ 519,788</u> |

Endowment net asset composition by type of fund as of June 30, 2018 is as follows:

| | Unrestricted | Permanently Restricted | Total Endowment Net Assets |
|---|-------------------|---------------------------|----------------------------------|
| Endowment Net Assets, Beginning of Year | \$ 120,434 | \$ 1,015,184 | \$ 1,135,618 |
| Contributions | - | 6,553 | 6,553 |
| Investment Income | 37,361 | - | 37,361 |
| Net Appreciation | (1,595) | - | (1,595) |
| Interest Appropriated to WCMEAA | (6,083) | - | (6,083) |
| Trust Fees | (3,217) | - | (3,217) |
| Administrative Expenses | (3) | - | (3) |
| Endowment Net Assets, End of Year | <u>\$ 146,897</u> | <u>\$ 1,021,737</u> | <u>\$ 1,168,634</u> |

RIALTO SQUARE THEATRE FOUNDATION

Notes to Financial Statements
June 30, 2018 and 2017

4. Endowment Investments

Implementation of FSP FAS 117-1

In August 2008, the Financial Accounting Standards Board (FASB) issued FASB Staff Position No. FAS 117-1, "Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds" (FSP FAS 117-1). FSP FAS 117-1 provides guidance on the net asset classification of donor-restricted endowment funds of a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management Institutional Funds Act of 2006 (UPMIFA). FSP FAS 117-1 also requires additional disclosures about an organization's endowment funds (both donor restricted endowment funds and board-designated endowment funds) whether or not the organization is subject to UPMIFA.

The State of Illinois enacted UPMIFA effective June 30, 2009, the provisions of which apply to endowment funds existing or established after that date. The Foundation adopted FSP FAS 117-1 for the year ending June 30, 2011. The board of directors has determined that the Foundation's permanently restricted net assets meet the definition of endowment funds under UPMIFA.

During fiscal year 2017, the Endowment Fund loaned \$600,000 to the Will County Metropolitan Exposition and Auditorium Authority (Primary Government) for the specific purpose of paying past due bills. Beginning December 31, 2017, the Primary Government shall pay a minimum of \$50,000 on the outstanding principal and accrued interest on an annual basis. Interest accrues at 1% annually.

5. Return on Investments

Return on investments consists of the following:

| | June 30, | |
|-------------------------------------|-----------|-----------|
| | 2018 | 2017 |
| Interest Earned on Cash Equivalents | \$ 25,756 | \$ 118 |
| Dividends and Interest | 31,342 | 19,814 |
| Unrealized Gain, Net | (1,595) | 49,143 |
| Management Fees | (3,217) | (6,581) |
| Return on Investments | \$ 52,286 | \$ 62,494 |

Reconciliation of Above Note to Statement of Activities:

| | June 30, | |
|--|-----------|-----------|
| | 2018 | 2017 |
| Dividends | \$ 7,359 | \$ 7,873 |
| Other Income | 23,983 | 11,941 |
| Interest | 25,756 | 118 |
| Management and General - Trust Fees | (3,217) | (6,581) |
| Net Unrealized and Realized Gain on Long-Term Investments | (1,595) | 49,143 |
| Return on Investments | \$ 52,286 | \$ 62,494 |

RIALTO SQUARE THEATRE FOUNDATION

Notes to Financial Statements
June 30, 2018 and 2017

6. Transactions with Primary Government

The Rialto Square Theatre Foundation transferred \$143,086 and \$406,687 (net) to the Will County Metropolitan Exposition and Auditorium Authority (Primary Government) for the years ended June 30, 2018 and 2017, respectively. Of that amount, \$0 and \$35,967 was transferred from the RSTF agency fund to purchase equipment for the years ended June 30, 2018 and 2017, respectively.

7. Donated Services

The Foundation receives a significant amount of donated services from unpaid volunteers. No amounts have been recognized because the criteria for recognition under ASC 958-605 have not been satisfied.

8. Subsequent Events

Subsequent events were evaluated through December 18, 2018 which is the date the financial statements were available to be issued.

RIALTO SQUARE THEATRE FOUNDATION

Schedule of Organization Data
June 30, 2017

Board of Directors

| | |
|-------------------|----------------|
| Tricia Simpson | President |
| Steve Randich | Vice President |
| Jeff Hettrick | Treasurer |
| Ed Jarot | Secretary |
| Sally Bagley | Director |
| Jane Condon | WCMEAA Liason |
| Rex Easton | Director |
| Jen Howard | Director |
| Kurt Johnson | Director |
| Lynne Lichtenauer | Director |
| Sue Moore | Director |
| Bob Navarro | Director |
| Joel Powless | Director |
| Tim Shanahan | Director |
| James V. Smith | Director |
| Dan Stevenson | Director |

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