

LINCOLN PARK VILLAGE, INC.

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2013 AND 2012

RUZICKA & ASSOCIATES, LTD.

Certified Public Accountants

Independent Auditor's Report

To the Board of Directors of
Lincoln Park Village, Inc.

We have audited the accompanying financial statements of Lincoln Park Village, Inc., which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities and changes in net assets, 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

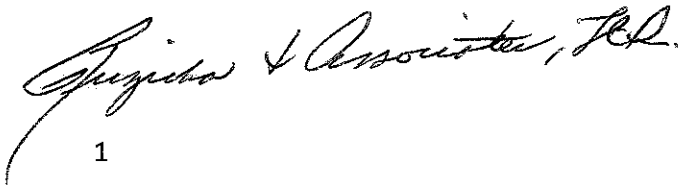
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 Lincoln Park Village, Inc. as of June 30, 2013 and 2012 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.

Northbrook, IL
September 25, 2013



1

LINCOLN PARK VILLAGE, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2013 AND 2012

	2013			2012		
	General	Unrestricted Fixed Assets	Total	Temporarily Restricted	Total	Total
ASSETS						
Current assets						
Cash and cash equivalents	\$ 153,760		153,760			95,255
Grants and pledges receivable	3,686		3,686	57,912		12,000
Prepaid expenses and other assets	3,330		3,330			22,000
Total current assets	160,776		160,776	57,912		111,794
Charitable gift annuity	13,062		13,062			13,062
Fixed assets						
Furniture and equipment	11,010		11,010			10,267
Less: accumulated depreciation	(8,452)		(8,452)			(6,872)
Total fixed assets	2,558		2,558			3,395
Total assets	\$ 173,838	2,558	176,396	57,912	22,000	128,251
LIABILITIES AND NET ASSETS						
Liabilities						
Accounts payable and accrued liabilities	\$ 23,478		23,478			31,074
Charitable gift annuity	13,062		13,062			13,062
Total liabilities	36,540		36,540			44,136
Net assets						
General	137,298		137,298			80,720
Fixed assets		2,558	2,558			3,395
Restricted				57,912		22,000
Total net assets	137,298	2,558	139,856	57,912	22,000	106,115
Total liabilities and net assets	\$ 173,838	2,558	176,396	57,912	22,000	150,251

LINCOLN PARK VILLAGE, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2013 AND 2012

	2013			2012				
	General	Unrestricted Fixed Assets	Temporarily Restricted	Total	General	Unrestricted Fixed Assets	Temporarily Restricted	Total
Revenue								
Contributions and private grants	\$ 57,062		96,050	153,112	\$ 24,166		63,500	87,666
Net assets released from restriction	60,138		(60,138)		93,000		(93,000)	
In-kind donations, not including \$4,400 in special events in 2012	11,057		11,057	11,057	10,284		10,284	10,284
Membership dues	131,858		131,858	131,858	101,251		101,251	101,251
Program fees and sponsorships	55,284		55,284	55,284	37,788		37,788	37,788
Special events	41,055		41,055	41,055	34,564		34,564	34,564
Gross receipts, including in-kind of \$4,400 in 2012	(13,288)		(13,288)	(13,288)	(19,829)		(19,829)	(19,829)
Less direct expenses	87		87	87	254		254	254
Interest income								
Total revenue	343,253		35,912	379,165	281,478		(29,500)	251,978
Expenses								
Program	219,838	1,254	221,092	221,092	206,228	1,476		207,704
Management and general	41,582	157	41,739	41,739	40,588	198		40,786
Fundraising	24,512	169	24,681	24,681	24,074	195		24,269
Total expenses	285,932	1,580	287,512	287,512	270,890	1,869		272,759
Change in net assets	57,321	(1,580)	55,741	55,741	10,588	(1,869)		8,719
Transfers	(743)	743			(1,270)	1,270		(29,500)
Net assets, beginning of year	80,720	3,395	84,115	84,115	71,402	3,994	51,500	126,896
Net assets, end of year	\$ 137,298	2,558	139,856	139,856	\$ 80,720	3,395	22,000	106,115

LINCOLN PARK VILLAGE, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2013 AND 2012

	2013			2012				
	Program	Management and General	Fund Raising	Total	Program	Management and General	Fund Raising	Total
Salaries	\$ 136,540	17,118	18,388	172,046	\$ 138,127	18,514	18,290	174,931
Payroll taxes	9,167	1,149	1,235	11,551	9,239	1,238	1,224	11,701
Employee benefits	10,098	1,266	1,360	12,724	6,007	961	1,041	8,009
Rent	15,863	1,989	2,137	19,989	15,776	2,114	2,090	19,980
Program events	30,338			30,338	23,119			23,119
Contract services	5,250			5,250		8,242		8,242
Professional fees		13,628		13,628		3,823		3,823
Insurance	2,588	324	349	3,261	2,476	332	328	3,136
Marketing	1,801			1,801	3,168			3,168
Telephone	2,664	334	359	3,357	2,295	308	304	2,907
Office supplies	870	109	117	1,096	2,393	321	317	3,031
Postage and delivery	1,470	184	198	1,852	1,654	222	219	2,095
Printing	2,140	268	288	2,696	1,751	235	232	2,218
Staff and volunteer development	100			100				
Conferences, meetings, and travel	599	75	81	755	223	30	29	282
Depreciation	1,254	157	169	1,580	1,476	198	195	1,869
Other	350	5,138		5,488		4,248		4,248
Total	\$ 221,092	41,739	24,681	287,512	\$ 207,704	40,786	24,269	272,759

See independent auditor's report and notes to financial statements.

LINCOLN PARK VILLAGE, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Change in net assets	\$ 91,653	\$ (20,781)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,580	1,869
(Increase) decrease in grants and pledges receivable	(27,598)	9,726
Decrease (increase) in prepaid expenses and other assets	1,209	(2,625)
Increase in charitable gift annuity obligation		13,062
(Decrease) increase in accounts payable and accrued liabilities	(7,596)	10,691
(Decrease) in unearned revenue		(1,092)
	<u>59,248</u>	<u>10,850</u>
Net cash provided by operating activities		
Net cash used by investing activities		
Purchase of fixed assets	(743)	(1,270)
Purchase of charitable gift annuity		(13,062)
Net cash used by investing activities	<u>(743)</u>	<u>(14,332)</u>
Net increase (decrease) in cash and cash equivalents	58,505	(3,482)
Cash and cash equivalents at beginning of year	<u>95,255</u>	<u>98,737</u>
Cash and cash equivalents at end of year	<u>\$ 153,760</u>	<u>\$ 95,255</u>

See independent auditor's report and notes to financial statements.

LINCOLN PARK VILLAGE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013 AND 2012

1. Nature of Organization:

Lincoln Park Village, Inc. is a grass-roots, non-profit, volunteer-first, community-based organization whose mission is to enhance the quality of life and well-being of individuals as they live longer, so that they may remain integral, vibrant, and contributing members of their communities. The vision of Lincoln Park Village is to be a leader in enriching the experience of aging in our communities and a model for the nation.

2. Summary of Significant Accounting Policies:

Revenue and expense recognition

Revenue and expenses are recorded on the accrual basis of accounting. All contributions are considered to be available for unrestricted use unless otherwise specifically restricted by donors. Contributions are recorded and recognized as income when notice of award or a pledge is received. Restricted contributions are recorded as revenue in temporarily restricted net assets if limited by donor imposed restrictions that can be fulfilled and removed by incurring expenditures satisfying the restriction or if such contributions are received for future periods. Contributions that are nonexpendable are recorded in permanently restricted net assets. When a donor 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 of Activities as net assets released from restrictions.

Expenses, which are common to program and to support services, are allocated on bases determined by management.

Fixed assets

Fixed asset purchases in excess of \$500 are capitalized and are recorded at cost. Depreciation is provided on the straight-line method over the estimated useful lives of the assets, (three to five years).

Estimates

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

3. **Net Assets:**

The Village classifies its net assets into three categories:

Unrestricted net assets include all of the unrestricted support and revenue of the Village, all of the expenses of the Village, and transfers from temporarily restricted net assets for reimbursement of expenditures that meet the restrictions of the donors.

Temporarily restricted net assets include all the restricted support and revenue of the Village. Transfers are made from this fund to unrestricted net assets as expenditures are incurred which meet the restrictions of the donors.

Permanently restricted net assets include funds received from donors with the stipulation that they be permanently retained by the Village in perpetuity and that only the income and/or use of the assets are available to the Village. At June 30, 2013 and 2012 there are no permanently restricted net assets.

4. **Tax Exempt Status:**

The Village operates as a public charity and is exempt from federal income tax as a public charity under section 501(c) (3) of the Internal Revenue Code. The tax exempt purpose of the Village and the nature in which it operates is described above. The Village continues to operate in compliance with its tax exempt purpose. Tax returns filed during the past three years are subject to examination by taxing authorities. There are no examinations being currently conducted.

5. **Leases:**

The Village has a written lease for office space commencing July 1, 2013 through June 30, 2014. The terms of the lease require monthly rental payments of \$1430.

Rent expense totaled \$19,989 for the year ended June 30, 2013 and \$19,980 for the year ended June 30, 2012. Such amount includes \$6,420 and \$8,820 of in-kind for the years ended June 30, 2013 and 2012, respectively.

6. **Temporarily Restricted Net Assets:**

Temporarily restricted net assets are comprised as follows:

Unspent portion of a \$46,550 grant from the Retirement Research Foundation	\$44,912
Pledges receivable for future years	<u>13,000</u>
	<u>\$57,912</u>

7. **Pension:**

The Village offers full-time employees retirement contributions at 10.56% of qualified salary after one year of service. The retirement contribution for the Founding Executive Director is capped at \$5,000. Retirement plan expenses equaled \$6,726 in 2013 and \$5,596 in 2012.

8. **Grants and pledges receivable:**

Grants and pledges receivable are due in fiscal 2014.

9. **In-kind Donations:**

In-kind donations were received for the years ended June 30, 2013 and June 30, 2012 are as follows:

	<u>2013</u>	<u>2012</u>
Rent	\$ 6,420	\$ 6,420
Parking	2,400	2,400
Accounting and audit	1,517	551
Copying and other	<u>720</u>	<u>913</u>
	<u>\$11,057</u>	<u>\$10,284</u>
Special event costs		<u>\$ 4,400</u>

10. **Charitable gift annuity:**

In fiscal 2012, Lincoln Park Village received a gift of \$17,160 from a donor for the purchase of an annuity to provide the donor \$1,008 annually until death. The Village is the beneficiary upon death. The annuity cost \$13,062.

11. **Subsequent events**

Lincoln Park Village has evaluated subsequent events for potential recognition and/or disclosure through September 25, 2013, the date the financial statements were available to be issued.