



KESSLER ORLEAN SILVER
CERTIFIED PUBLIC ACCOUNTANTS

Lincoln Park Village
Financial Statements
June 30, 2015 and 2014

Lincoln Park Village

Table of Contents

	Page
Independent Auditor's Report	1-2
Statements of Financial Position	3-4
Statements of Activities and Change in Net Assets	5
Statements of Functional Expenses	6-7
Statements of Cash Flows	8
Notes to Financial Statements	9-12



KESSLER ORLEAN SILVER
CERTIFIED PUBLIC ACCOUNTANTS

1101 Lake Cook Road, Suite C
Deerfield, Illinois 60015-5233

T 847.580.4100
F 847.580.4199
www.koscpa.com

Independent Auditor's Report

To the Board of Directors
Lincoln Park Village
Chicago, IL

We have audited the accompanying financial statements of Lincoln Park Village (a not-for-profit corporation), which comprise the statements of financial position as of June 30, 2015 and 2014 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 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 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 2015 financial statements referred to above present fairly, in all material respects, the financial position of Lincoln Park Village as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements as of June 30, 2014 were audited by Ruzicka & Associates, Ltd., who merged with Kessler, Orlean, Silver & Company, P.C., as of December 1, 2014, and whose report dated September 13, 2014, expressed an unmodified opinion on these statements.

Respectfully submitted,

Kessler, Orlean, Silver & Company, P.C.

Kessler, Orlean, Silver & Company, P.C.

Certified Public Accountants

Deerfield, Illinois

September 14, 2015

Lincoln Park Village
Statements of Financial Position
June 30, 2015 and 2014

	Assets					
	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Current Assets						
Cash and Cash Equivalents	\$ 198,599	\$ -	\$ 198,599	\$ 168,500	\$ 5,067	\$ 173,567
Grants and Other Receivables	29,450	40,150	69,600	19,312	55,750	75,062
Prepaid Expenses and Other Current Assets	4,712	-	4,712	2,967	-	2,967
Total Current Assets	<u>232,761</u>	<u>40,150</u>	<u>272,911</u>	<u>190,779</u>	<u>60,817</u>	<u>251,596</u>
Fixed Assets						
Furniture and Equipment	25,996	-	25,996	21,753	-	21,753
Less Accumulated Depreciation	(14,466)	-	(14,466)	(11,064)	-	(11,064)
Net Property and Equipment	<u>11,530</u>	<u>-</u>	<u>11,530</u>	<u>10,689</u>	<u>-</u>	<u>10,689</u>
Other Assets						
Charitable Gift Annuity	<u>13,062</u>	<u>-</u>	<u>13,062</u>	<u>13,062</u>	<u>-</u>	<u>13,062</u>
Total Assets	<u><u>\$ 257,353</u></u>	<u><u>\$ 40,150</u></u>	<u><u>\$ 297,503</u></u>	<u><u>\$ 214,530</u></u>	<u><u>\$ 60,817</u></u>	<u><u>\$ 275,347</u></u>

See accompanying notes to the financial statements.

Lincoln Park Village
Statements of Financial Position
June 30, 2015 and 2014

Liabilities and Net Assets						
2015			2014			
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Current Liabilities						
Accounts Payable and Accrued Liabilities	\$ 33,745	\$ -	\$ 33,745	\$ 20,870	\$ -	\$ 20,870
Charitable Gift Annuity	13,062	-	13,062	13,062	-	13,062
Total Liabilities	46,807	-	46,807	33,932	-	33,932
Net Assets						
General						
Board Designated	81,664	-	81,664	51,850	-	51,850
Undesignated	128,882	-	128,882	128,748	-	128,748
Temporarily Restricted	-	40,150	40,150	-	60,817	60,817
Total Net Assets	210,546	40,150	250,696	180,598	60,817	241,415
Total Liabilities and Net Assets	\$ 257,353	\$ 40,150	\$ 297,503	\$ 214,530	\$ 60,817	\$ 275,347

See accompanying notes to the financial statements.

Lincoln Park Village
Statements of Activities and Change in Net Assets
For the Years Ended June 30, 2015 and 2014

	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and Revenue						
Contributions and Private Grants	\$ 146,544	\$ 30,150	\$ 176,694	\$ 129,391	\$ 57,749	\$ 187,140
Net Assets Released from Restriction	50,817	(50,817)	-	54,844	(54,844)	-
In-Kind Donations	7,205	-	7,205	9,290	-	9,290
Membership Dues	151,604	-	151,604	146,243	-	146,243
Program Fees	23,340	-	23,340	36,266	-	36,266
Special Events						
Gross Receipts	76,395	-	76,395	65,540	-	65,540
Less: Direct Expenses	(14,995)	-	(14,995)	(18,852)	-	(18,852)
Interest Income	163	-	163	116	-	116
Total Revenue	441,073	(20,667)	420,406	422,838	2,905	425,743
Operating Expenses						
Program	305,636	-	305,636	293,484	-	293,484
Management and General	59,966	-	59,966	55,716	-	55,716
Fundraising	45,523	-	45,523	32,896	-	32,896
Total Expenses	411,125	-	411,125	382,096	-	382,096
Change in Net Assets	29,948	(20,667)	9,281	40,742	2,905	43,647
Net Assets at Beginning of Year	180,598	60,817	241,415	139,856	57,912	197,768
Net Assets at End of Year	\$ 210,546	\$ 40,150	\$ 250,696	\$ 180,598	\$ 60,817	\$ 241,415

See accompanying notes to the financial statements.

Lincoln Park Village
Statement of Functional Expenses
For the Year Ended June 30, 2015

	<u>Program</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Salaries	\$ 183,615	\$ 30,644	\$ 32,868	\$ 247,127
Payroll Taxes and Employee Benefits	26,879	4,486	4,811	36,176
Rent	17,520	2,924	3,136	23,580
Program Events	27,719	-	-	27,719
Contract Services	21,501	-	-	21,501
Professional Fees	-	17,522	-	17,522
Insurance	2,902	484	520	3,906
Marketing	5,700	951	1,020	7,671
Telephone	2,911	486	521	3,918
Office Supplies	2,537	423	454	3,414
Printing	4,480	748	801	6,029
Staff and Volunteer Development	2,093	-	-	2,093
Conferences, Meetings, and Travel	1,895	316	339	2,550
Depreciation	2,527	422	452	3,401
Other	3,357	560	601	4,518
Total	<u>\$ 305,636</u>	<u>\$ 59,966</u>	<u>\$ 45,523</u>	<u>\$ 411,125</u>

See accompanying notes to the financial statements.

Lincoln Park Village
Statement of Functional Expenses
For the Year Ended June 30, 2014

	<u>Program</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Salaries	\$ 178,723	\$ 27,587	\$ 24,349	\$ 230,659
Payroll Taxes	12,232	1,888	1,667	15,787
Employee Benefits	12,525	1,934	1,707	16,166
Rent	18,270	2,820	2,490	23,580
Program Events	25,039	-	-	25,039
Contract Services	15,316	-	-	15,316
Professional Fees	-	13,217	-	13,217
Insurance	2,843	439	387	3,669
Marketing	3,301	-	-	3,301
Telephone	3,246	502	442	4,190
Office Supplies	2,862	442	390	3,694
Postage and Delivery	2,345	361	320	3,026
Printing	2,483	384	338	3,205
Staff and Volunteer Development	527	-	-	527
Conferences, Meetings, and Travel	3,892	601	530	5,023
Depreciation	2,025	312	276	2,613
Other	7,855	5,229	-	13,084
Total	\$ 293,484	\$ 55,716	\$ 32,896	\$ 382,096

See accompanying notes to the financial statements.

Lincoln Park Village
Statements of Cash Flows
For the Years Ended June 30, 2015 and 2014

	2015	2014
Cash Flows from Operating Activities		
Increase in Net Assets	\$ 9,281	\$ 43,647
<u>Adjustments to Reconcile Increase in Net Assets</u>		
<u>Net Cash Provided by Operating Activities</u>		
Depreciation	3,401	2,613
(Increase) Decrease in:		
Grants and Pledges Receivables	5,462	(13,464)
Prepaid Expenses and Other Assets	(1,745)	363
Accounts Payable and Accrued Liabilities	12,875	(2,608)
Total Adjustments	19,993	(13,096)
Net Cash Provided by Operating Activities	29,274	30,551
Cash Flows from Investing Activities		
Purchase of Property and Equipment	(4,242)	(10,744)
Net Increase in Cash and Cash Equivalents	25,032	19,807
Cash and Cash Equivalents, Beginning of Year	173,567	153,760
Cash and Cash Equivalents, End of Year	\$ 198,599	\$ 173,567
Supplemental Disclosure of Cash Flow Informatin		
Cash Paid for Income Taxes	\$ -	\$ -
Cash Paid for Interest	\$ -	\$ -

See accompanying notes to the financial statements.

Lincoln Park Village
Notes to Financial Statements
For the Years Ended June 30, 2015 and 2014

Note 1 – Summary of Significant Accounting Policies

Organization

Lincoln Park Village (“the Organization”) 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.

Basis of Accounting

The Organization prepares its financial statements using the accrual basis of accounting in accordance with generally accepted accounting principles.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Property & Equipment

Property and equipment are carried at cost or estimated value on date of donation. All purchases in excess of \$500 are capitalized while lesser amounts are charged to expense. Depreciation on property and equipment is computed using the straight-line method over the estimated useful lives of the assets, which range from two to ten years. Gains and losses from the sale of property and equipment are included in income. Maintenance and repairs are charged to operations.

Income Taxes

The Organization has been classified by the Internal Revenue Service as an organization exempt from income taxes (not a private foundation) under Internal Revenue Code Section 501(c)(3) and, accordingly, no provision for such taxes is made in the statements. The Organization continues to operate in compliance with its tax-exempt purpose. Management does not believe its financial statements include uncertain tax positions.

The Organization files U.S. federal and Illinois state informational tax returns. The federal and state informational tax returns of the Organization for tax years 2013, 2014, and 2015 can be subject to examinations by tax authorities, generally for three years after they were filed. The Organization recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. At June 30, 2015 and 2014 there was no interest or penalties relating to income taxes recognized in the statement of activities.

Lincoln Park Village
Notes to Financial Statements
For the Years Ended June 30, 2015 and 2014

Functional Expenses

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

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.

Net Assets

The Organization classifies its net assets into three categories:

Unrestricted net assets include all of the unrestricted support and revenue of the Organization, all of the expenses of the Organization, and transfers from temporarily restricted net assets for reimbursement of expenditures that meet the restrictions of the donors. In 2015, the Board of Directors designated \$29,814 of unrestricted net assets as a Fund for the Future.

Temporarily restricted net assets include all the restricted support and revenue of the Organization. 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 Organization in perpetuity and that only the income and/or use of the assets are available to the Organization. At June 30, 2015 and 2014, there are no permanently restricted net assets.

Reclassifications

Certain reclassifications have been made to the 2014 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

Subsequent Events

Management has evaluated subsequent events through September 14, 2015 the date the financial statements were available to be issued.

Lincoln Park Village
Notes to Financial Statements
For the Years Ended June 30, 2015 and 2014

Note 2 – Lease Commitments

The Organization has a written lease for office space July 1, 2014 through June 30, 2015. The terms of the lease require monthly rental payments of \$1,430. The lease was extended through June 30, 2016.

Rent expense totaled \$23,580 for the year ended June 30, 2015 and \$23,580 for the year ended June 30, 2014. Such amount includes \$6,420 of in-kind for each year ended June 30, 2015 and 2014, respectively.

Note 3 – Net Assets

Net Assets activity consisted of the following:

	Unrestricted Net Assets	Fund For the Future (Board Designated)	Total Unrestricted Net Assets	Temporarily Restricted Net Assets	Total Net Assets
July 1, 2013	\$ 139,856	\$ -	\$ 139,856	\$ 57,912	\$ 197,768
Net Income (Loss)	(11,108)	51,850	40,742	2,905	43,647
June 30, 2014	128,748	51,850	180,598	60,817	241,415
Net Income (Loss)	19,580	10,368	29,948	(20,667)	9,281
Transfers	(19,446)	19,446	-	-	-
June 30, 2015	<u>\$ 128,882</u>	<u>\$ 81,664</u>	<u>\$ 210,546</u>	<u>\$ 40,150</u>	<u>\$ 250,696</u>

Note 4 – Temporarily Restricted Net Assets

Temporarily restricted net assets are comprised as follows:

	2015	2014
Unspent Portion of a \$46,550 Grant from Retirement Research Foundation	\$ -	\$ 5,067
Unspent Portion of a \$50,000 Grant from Northwestern University	20,000	40,000
Pledges Receivable for Future Years	20,150	15,750
	<u>\$ 40,150</u>	<u>\$ 60,817</u>

Lincoln Park Village
Notes to Financial Statements
For the Years Ended June 30, 2015 and 2014

Note 5 - Pension

The Organization offered 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 \$5,486 in 2014. In 2015, the Organization discontinued this pension plan and opened a 401(K) Retirement Plan.

Note 6 – 401(K) Retirement Plan

The Organization adopted a 401(K) retirement plan during the year ending June 30, 2015. The plan allows eligible employees to defer a portion of their income on a pretax or after tax basis through contribution to the retirement plan. In addition, the plan requires the employer to match employee contributions 100% for the first 3% of eligible wages and 50% for 3-5% of eligible wages. The Organization's contribution for the plan for the year ended June 30, 2015 was \$2,708.

Note 7 – Grants and Pledges Receivable

Grants and pledges receivable are due in fiscal 2016.

Note 8 – In-Kind Donations

In-kind donations were received for the years ended June 30, 2015 and June 30, 2014 are as follows:

	<u>2015</u>	<u>2014</u>
Rent	\$ 6,420	\$ 6,420
Parking	-	1,800
Brochure design	-	350
Copying and Other	<u>785</u>	<u>720</u>
	<u>\$ 7,205</u>	<u>\$ 9,290</u>

Note 9 – 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.