

LINCOLN PARK VILLAGE, INC.
d/b/a THE VILLAGE CHICAGO
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2017
(With summarized comparative information for
the fiscal year ended June 30, 2016)

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the fiscal year ended June 30, 2016)

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Independent Auditor's Report

The Board of Directors
Lincoln Park Village, Inc.
d/b/a The Village Chicago
2502 N. Clark Street
Chicago, Illinois 60614

I have audited the accompanying financial statements of Lincoln Park Village, Inc. d/b/a the Village Chicago (the Village), an Illinois nonprofit organization, which are comprised of the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses, and cash flows for the fiscal 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Village as of June 30, 2017, and the changes in its net assets and its cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Prior Year Summarized Comparative Information

The prior year summarized comparative information has been derived from the Village's June 30, 2016 financial statements which were audited by me. My report dated September 15, 2016 expressed an unqualified opinion on those financial statements.

Other Matter

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on page 8 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 my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

James M. Babic, PC

September 8, 2017

LINCOLN PARK VILLAGE, INC.
d/b/a THE VILLAGE CHICAGO
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2017
(With summarized comparative totals as of June 30, 2016)

	As of June 30, 2017			Summarized Comparative Totals as of June 30, 2016
	Unrestricted	Temporarily Restricted	Total	
<u>ASSETS</u>				
CURRENT ASSETS				
Cash	\$ 233,105	\$ 19,371	\$ 252,476	\$ 232,910
Investments (Note 5)	221,752	-	221,752	-
Pledges receivable	20,390	16,400	36,790	37,413
Grants and contract service fee receivable	10,981	26,006	36,987	3,333
Prepaid expenses	13,335	-	13,335	2,612
Total current assets	<u>499,563</u>	<u>61,777</u>	<u>561,340</u>	<u>276,268</u>
OFFICE FURNITURE AND EQUIPMENT				
net of accumulated depreciation of \$27,074 and \$17,994 as of June 30, 2017 and June 30, 2016, respectively (Note 6)	<u>29,682</u>	<u>-</u>	<u>29,682</u>	<u>28,002</u>
OTHER ASSETS				
Charitable gift annuity (Note 7)	<u>13,062</u>	<u>-</u>	<u>13,062</u>	<u>13,062</u>
Total assets	<u>\$ 542,307</u>	<u>\$ 61,777</u>	<u>\$ 604,084</u>	<u>\$ 317,332</u>
<u>LIABILITIES AND NET ASSETS</u>				
CURRENT LIABILITIES				
Accounts payable	\$ 3,695	\$ -	\$ 3,695	\$ 13,108
Payroll-related liabilities	-	-	-	13,085
Deferred revenues	540	-	540	1,075
Charitable gift annuity (Note 7)	13,062	-	13,062	13,062
Total liabilities	<u>17,297</u>	<u>-</u>	<u>17,297</u>	<u>40,330</u>
NET ASSETS (Note 4)	<u>525,010</u>	<u>61,777</u>	<u>586,787</u>	<u>277,002</u>
Total liabilities and net assets	<u>\$ 542,307</u>	<u>\$ 61,777</u>	<u>\$ 604,084</u>	<u>\$ 317,332</u>

The accompanying notes are an integral part of these financial statements

LINCOLN PARK VILLAGE, INC.
d/b/a THE VILLAGE CHICAGO
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(With summarized comparative totals for the fiscal year ended June 30, 2016)

	Unrestricted	Temporarily Restricted	Total	Total for Fiscal Year Ended June 30, 2016
PUBLIC SUPPORT AND REVENUE:				
Public support:				
Grants, sponsorship, and contributions	\$ 411,260	\$ 61,777	\$ 473,037	\$ 176,424
Contributions, in-kind (Note 8)	8,750	-	8,750	7,140
Fundraising events, net of direct expenses (Note 9)	119,347	-	119,347	101,767
Total public support	539,357	61,777	601,134	285,331
Net assets released from restrictions upon satisfaction of program requirements	11,420	(11,420)	-	-
Revenues:				
Membership dues	166,200	-	166,200	156,205
Member services, program fees	22,241	-	22,241	31,251
Contract service fee (Note 10)	-	-	-	20,000
Interest income	263	-	263	128
Miscellaneous income	500	-	500	53
Total revenues	189,204	-	189,204	207,637
Total public support and revenues	739,981	50,357	790,338	492,968
EXPENSES:				
Program services	384,306	-	384,306	349,330
Supporting services:				
General management & administration	50,977	-	50,977	28,183
Membership recruitment and retention, and resource development	45,270	-	45,270	69,149
Total supporting services expenses	96,247	-	96,247	97,332
Total program and supporting services	480,553	-	480,553	446,662
NET INCREASE IN NET ASSETS	259,428	50,357	309,785	46,306
NET ASSETS:				
Beginning of the year	265,582	11,420	277,002	250,696
Prior year adjustment (Note 13)	-	-	-	(20,000)
Beginning of the year, as adjusted	265,582	11,420	277,002	230,696
End of the year	\$ 525,010	\$ 61,777	\$ 586,787	\$ 277,002

The accompanying notes are an integral part of these financial statements

LINCOLN PARK VILLAGE, INC.
d/b/a THE VILLAGE CHICAGO
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(With summarized comparative totals for the fiscal year ended June 30, 2016)

	Program Services	SUPPORTING SERVICES			Totals	
		General Mgmt. & Admin.	Membership and Resource Develop- ment	Total Supporting Services	2017	2016
Staff salaries and wages	\$ 229,755	\$ 22,026	\$ 27,714	\$ 49,740	\$ 279,495	\$ 272,061
Employer payroll taxes	16,722	1,603	2,017	3,620	20,342	19,790
Employer retirement plan contributions (Note 11)	5,993	575	723	1,298	7,291	6,689
Staff health insurance benefits	11,729	1,123	1,415	2,538	14,267	11,381
Contracted services and stipends	18,000	-	-	-	18,000	14,917
Professional services	-	17,274	-	17,274	17,274	15,684
Facility occupancy (Note 12)	27,522	2,638	3,320	5,958	33,480	24,300
Facility occupancy, in-kind (Note 8)	6,700	642	808	1,450	8,150	(720)
Program events	26,285	-	-	-	26,285	32,138
Insurance	3,482	334	420	754	4,236	3,957
Public outreach and promotion	8,555	-	-	-	8,555	2,775
Office supplies and expenses	3,126	298	377	675	3,801	3,218
Telecommunications	4,578	439	552	991	5,569	3,823
Postage and courier	2,630	251	317	568	3,198	3,456
Printing	2,675	255	322	577	3,252	3,293
Printing, in-kind (Note 8)	600	-	-	-	600	720
Staff and volunteer development	1,481	-	-	-	1,481	8,774
Conferences, meetings, and, travel	2,269	216	274	490	2,759	4,696
Credit card and bank fees	2,595	-	2,595	2,595	5,190	5,746
Dues and subscriptions	2,145	-	3,516	3,516	5,661	4,116
Depreciation	7,464	716	900	1,616	9,080	3,528
Miscellaneous	-	2,587	-	2,587	2,587	2,320
Total functional expenses	\$ 384,306	\$ 50,977	\$ 45,270	\$ 96,247	\$ 480,553	\$ 446,662

The accompanying notes are an integral part of these financial statements

LINCOLN PARK VILLAGE, INC.
d/b/a THE VILLAGE CHICAGO
STATEMENT OF CASH FLOWS

	Fiscal Year Ended	
	<u>June 30, 2017</u>	<u>June 30, 2016</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Net increase in net assets	\$ 309,785	\$ 46,306
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities:		
Depreciation and amortization	9,080	3,528
(Increase) decrease in:		
Pledges receivable	623	2,187
Contract service fee receivable	(33,654)	6,667
Prepaid expenses	(10,723)	2,100
Increase (decrease) in:		
Accounts payable	(9,413)	(6,679)
Payroll-related liabilities	(13,085)	149
Deferred revenues	(535)	53
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>252,078</u>	<u>54,311</u>
CASH FLOW USED IN INVESTING ACTIVITIES		
Capitalized costs for web-site renovation	(9,650)	(20,000)
Capitalized purchases of computer equipment	(1,110)	-
Purchase of investments	(221,646)	-
Investment income re-invested	(106)	-
Total cash used in investing activities	<u>(232,512)</u>	<u>(20,000)</u>
NET INCREASE IN CASH	19,566	34,311
CASH, BEGINNING OF THE YEAR	<u>232,910</u>	<u>198,599</u>
CASH, END OF THE YEAR	<u>\$ 252,476</u>	<u>\$ 232,910</u>

The accompanying notes are an integral part of these financial statements

LINCOLN PARK VILLAGE, INC.
d/b/a THE VILLAGE CHICAGO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 1 - HISTORY AND NATURE OF THE ORGANIZATION

Lincoln Park Village, Inc. d/b/a the Village Chicago (the Village) was founded in 2009. the Village is a grassroots, volunteer-first, community-based Illinois not-for-profit organization.

The mission of the Village is to enhance the quality of life and the well-being of individuals as we live longer, so we remain integral, vibrant and contributing members of our communities. The vision of the Village is to be a leader in enriching the experience of aging in our communities and a model for the nation.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared on the accrual basis of accounting.

Basis of presentation

Financial statement presentation follows the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) No. 958-605 and No. 958-205.

Under FASB ASC No. 958-605 contributions are recognized in the period received, or in the period in which an unconditional promise to give is made.

Under FASB ASC 958-205 the Village is required to report information regarding its financial position according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Classification of net assets as unrestricted, temporarily restricted, or permanently restricted is based on the absence or existence of donor imposed restrictions.

Donor-imposed restrictions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. However, restricted support that is received and fulfilled within the same fiscal year is reported as unrestricted.

Income taxes

The Village is exempt from federal taxes under Section 501(c)3 of the Internal Revenue Code. It qualifies for charitable contributions under Section 170(b)(1)(A)(iii), and has been classified as an organization that is not a private foundation under Section 509(a)(2). the Village's management has determined that FIN 48, which addresses accounting for uncertainty in income taxes, has no effect on its financial statements due to the Village's tax-exempt status.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles may require management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenditures. Actual results could differ from those estimates.

Expense allocation

The cost of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(Continued on the following page)

LINCOLN PARK VILLAGE, INC.
d/b/a THE VILLAGE CHICAGO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent Events

The Village has evaluated subsequent events through September 8, 2017, the date financial statements were available to be issued.

Donated Services

During the year ended June 30, 2017 the Village benefited from many hours of donated services from many individuals that helped the Village meet program objectives. These donated services are not reported as contributions in the financial statements because they do not meet the criteria of skilled services required to be reported under FASB ASC 958-605-25-16.

NOTE 3 - PRIOR YEAR SUMMARIZED INFORMATION

The financial statements include certain prior-year summarized information presented for comparative purposes. Such comparative information is in total but not by net asset class, and therefore, does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Village's financial statements for the fiscal year ended June 30, 2016, from which the summarized information was derived.

NOTE 4 - NET ASSETS

Board-Designated Operating Reserve Fund

Unrestricted net assets as of June 30, 2017 includes \$351,403 set aside for the Board-Designated Operating Reserve Fund. This fund was established by a Board resolution passed in August, 2013. The general purpose of this fund is to help ensure the long-term financial viability of the Village. Funding sources for this fund are 1) the allocation of 50% of annual net revenues from operations, and 2) Planned Giving, Tribute Gifts, and other donations designated by the Board that are not specifically designated by the donor for any other purpose.

Temporarily Restricted Net Assets

Temporarily restricted net assets as of June 30, 2017 are available for the following program services:

Pledges and donations received on or before June 30, 2017 designated by the donor to fund programs, events, and activities scheduled to occur after June 30, 2017.	\$ 17,450
Develop Healthcare Advocacy Initiative	15,321
Communications and Marketing Re-Branding	29,006
Total temporarily restricted net assets as of June 30, 2017	<u>\$ 61,777</u>

LINCOLN PARK VILLAGE, INC.
d/b/a THE VILLAGE CHICAGO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 5 - INVESTMENTS

Investments as of June 30, 2017 consists of \$652 of cash equivalents, and a \$221,100 certificate of deposit with an interest rate of 1.2% and a maturity date of September 27, 2017. These assets are presented on the statement of financial position at fair market value.

NOTE 6 - OFFICE FURNITURE AND EQUIPMENT, net of accumulated depreciation

Purchased office furniture and equipment is recorded at cost. Donated office furniture and equipment is recorded at the estimated fair market value on the date of receipt. Depreciation is generally provided on a straight-line basis over an estimated useful life of three or five years. The Village’s capitalization policy requires a minimum per-item cost of \$500.

NOTE 7 - CHARITABLE GIFT ANNUITY

The Village received a gift of \$17,160 from a donor in which the donor directed the Village to purchase an annuity for the benefit of the donor. The Village purchased the annuity in October, 2011 for a purchase price of \$13,062. The annuity provides the donor with annual payment of \$1,008 until death.

NOTE 8 - IN-KIND CONTRIBUTION

In-kind contributions of \$8,750 for the fiscal year ended June 30, 2017 consists of \$8,150 rent abatements granted by the landlord from whom the Village rents its primary office space and \$600 of donated printing services. These in-kind contributions are reflected as revenue and a corresponding expenditure, resulting in a zero effect in net assets.

In-kind contributions of \$7,140 for the fiscal year ended June 30, 2016 consists of \$6,420 rent abatements granted by the landlord from whom the Village rents its primary office space and \$720 of donated printing services. These in-kind contributions are reflected as revenue and a corresponding expenditure, resulting in a zero effect in net assets.

NOTE 9 - FUNDRAISING EVENTS, net of direct expenses

Listed below is a summary of revenues and direct expenses related to fundraising events held by the Village during the fiscal years ended June 30, 2017 and June 30, 2016:

	06/30/2017	06/30/2016
<u>Revenues:</u>		
Ticket sales, sponsorship, contributions, and other	\$ 141,212	\$ 121,318
<u>Direct expenses:</u>		
Facility rent, event catering, printing, and other	21,865	19,551
Fundraising revenues, net of direct expenses	\$ 119,347	\$ 101,767

NOTE 10 - CONTRACT SERVICE FEE

Contract revenue for the fiscal year ended June 30, 2016 consists entirely of a fee for services contract between the Village and Northwestern University Feinberg School of Medicine. Under the terms of the contract the Village received \$50,000 over the three-year term of the contract, which ended June 30, 2016, for participating in the Advance Planning for Home Services Project.

LINCOLN PARK VILLAGE, INC.
d/b/a THE VILLAGE CHICAGO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 11 - EMPLOYER RETIREMENT PLAN CONTRIBUTIONS

The Village offers a 401(k) retirement plan benefit to qualified full-time employees. During the fiscal years ended June 30, 2017 and June 30, 2016 the Village made \$7,291 and \$6,689 of matching contributions for all eligible participating employees, respectively. The Village’s matching contribution is limited to 100% of the first 3% of each eligible employee’s compensation plus 50% for more than 3% and up to 5% of each eligible employee’s compensation.

NOTE 12 - LEASE COMMITMENTS

During the fiscal year ended June 30, 2016 the Village leased office space, located at 2502 N. Clark, Chicago, Illinois, under an agreement that originated on July 1, 2015 and continued through June 30, 2016. Monthly rent throughout the term of this lease was \$1,965, which includes a monthly in-kind provision of \$535. Total expense for this lease during the fiscal year ended June 30, 2016 was \$23,580, which includes \$6,420 of in-kind rent.

Subsequent to June 30, 2016 the Village continued to lease office space at 2502 N. Clark, Chicago, IL on a month-to-month basis for the months of July, 2016 and August, 2016 for a monthly rent of \$2,715. After August 31, 2016 the Village entered into a new lease agreement for this office space that commenced September 1, 2016 and continues through August 31, 2018. Monthly rent under this agreement for the first twelve month period of the lease term is \$3,620, which includes a monthly in-kind provision of \$815. Monthly rent for the second twelve month period of the lease term is \$2,745. The lease agreement also requires the Village to pay an initial monthly utility charge of \$140, which is subject to market changes. Total office rent and utility expense under this agreement for the fiscal year ended June 30, 2017 was \$41,630, which includes \$8,150 of in-kind rent. Future minimum obligations under this lease agreement (net of in-kind provisions and utility charges) are as follows:

<u>Fiscal Year Ending</u>	<u>Amount</u>
June 30, 2018	\$ 32,780
June 30, 2019	5,490
Total	<u>\$ 38,270</u>

NOTE 13 - PRIOR YEAR ADJUSTMENT

Net assets as of June 30, 2015 have been adjusted to correct a \$20,000 overstatement of contract service fee receivable.

LINCOLN PARK VILLAGE, INC.
d/b/a THE VILLAGE CHICAGO
SUPPLEMENTARY INFORMATION
NET ASSETS ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Unrestricted Net Assets			Temporarily Restricted Net Assets	Total Net Assets
	Unrestricted	Board - Designated Operating Reserve Fund	Total		
Balance as of June 30, 2016	\$ 163,228	\$ 102,354	\$ 265,582	\$ 11,420	\$ 277,002
Transfer of Board-designated restriction for 50% of net surplus for the fiscal year ended June 30, 2016	(22,068)	22,068	-	-	-
Activity for the fiscal year ended June 30, 2017:					
Net increase in net assets for the fiscal year ended June 30, 2017	309,785	-	309,785	-	309,785
Temporarily restricted net assets released from restrictions	11,420	-	11,420	(11,420)	-
Contributions designated by the Board for the operating reserve fund	(226,981)	226,981	-	-	-
Pledges designated by the donor for post June 30, 2017 activities	(17,450)	-	(17,450)	17,450	-
Temporarily restricted portion of grants received for the fiscal year ended June 30, 2017					
Develop Healthcare Advocacy Initiative	(15,321)	-	(15,321)	15,321	-
Communications and Marketing Re-Branding	(29,006)	-	(29,006)	29,006	-
Net activity for the fiscal year ended June 30, 2017	32,447	226,981	259,428	50,357	309,785
Balance as of June 30, 2017	\$ 173,607	\$ 351,403	\$ 525,010	\$ 61,777	\$ 586,787