

NORTH RIVER COMMISSION

FINANCIAL STATEMENTS

JUNE 30, 2014

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
North River Commission

Report on the Financial Statements

I have audited the accompanying financial statements of North River Commission (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities, change in net assets, functional expense, 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.

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 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, 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 North River Commission, as of June 30, 2014, 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.

Arthur S. Gunn, CPA

Northbrook, Illinois
May 8, 2015

NORTH RIVER COMMISSION
STATEMENT OF FINANCIAL POSITION

JUNE 30, 2014

ASSETS	Unrestricted	Temporarily Restricted	Organization Total
Cash	\$ 45,014	\$ 39,018	\$ 84,032
Accounts receivable	110,707	-	110,707
Accounts receivable-Mayfair Syndication	9,507	-	9,507
Prepaid insurance	482	-	482
Investment in LLC	11,866	-	11,866
Security deposits	500	-	500
Property and equipment net of \$65,550 accumulated depreciation	<u>1,866</u>	<u>-</u>	<u>1,866</u>
Total assets:	<u>\$ 179,942</u>	<u>\$ 39,018</u>	<u>\$ 218,960</u>
 LIABILITIES AND NET ASSETS			
Accounts payable and accrued expense	\$ 31,831	\$ -	\$ 31,831
Deferred revenue	5,850	-	5,850
Line of credit	<u>71,400</u>	<u>-</u>	<u>71,400</u>
Total liabilities:	<u>\$ 109,081</u>	<u>\$ -</u>	<u>\$ 109,081</u>
Net assets:			
Net assets	<u>\$ 70,861</u>	<u>\$ 39,018</u>	<u>\$ 109,879</u>
Total Net Assets	<u>\$ 70,861</u>	<u>\$ 39,018</u>	<u>\$ 109,879</u>
Total Liabilities and net assets:	<u>\$ 179,942</u>	<u>\$ 39,018</u>	<u>\$ 218,960</u>

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

NORTH RIVER COMMISSION

**STATEMENT OF ACTIVITIES AND CHANGE IN
NET ASSETS**

YEAR ENDED JUNE 30, 2014

SUPPORT AND REVENUE:	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Organization Total</u>
Support			
Contributions and memberships	\$ 23,070	\$ -	\$ 23,070
Grants and program service fees	454,510	39,018	493,528
Net assets released from restrictions	-	-	-
Revenue			
Management fees	24,000	-	24,000
Interest income	22	-	22
In-kind	250	-	250
Special events	6,876	-	6,876
Other income	43,754	(43,754)	-
Total support and revenue	<u>552,482</u>	<u>(4,736)</u>	<u>547,746</u>
EXPENSES:			
Program expense	483,141	-	483,141
Management and general	34,108	-	34,108
Fundraising	17,611	-	17,611
Total expense	<u>534,860</u>	<u>-</u>	<u>534,860</u>
CHANGE IN NET ASSETS	<u>\$ 17,622</u>	<u>\$ (4,736)</u>	<u>\$ 12,886</u>
NET ASSETS, JULY 1, 2013, AS ORIGINALLY STATED	<u>70,830</u>	<u>43,754</u>	<u>114,584</u>
PRIOR PERIOD ADJUSTMENT	<u>17,591</u>	<u>-</u>	<u>17,591</u>
NET ASSETS, JULY 1, 2013, AS RESTATED	<u>53,239</u>	<u>43,754</u>	<u>96,993</u>
NET ASSETS, JUNE 30, 2014	<u>\$ 70,861</u>	<u>\$ 39,018</u>	<u>\$ 109,879</u>

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

NORTH RIVER COMMISSION
STATEMENT OF FUNCTIONAL EXPENSE
YEAR ENDED JUNE 30, 2014

	----- Program Services -----								
	Arts and Culture	Economic Development	Education	Housing	North Park Village	Total Programs	Management & General	Fundraising	Organization Total
Salaries and wages	\$ 49,086	\$ 61,358	\$ 88,969	\$ 67,494	\$ 6,136	\$ 273,043	\$ 21,475	\$ 12,272	\$ 306,790
Other personnel costs	9,783	12,229	17,732	13,452	1,223	54,419	4,280	2,446	61,145
Chamber expenses	-	300	-	-	-	300	-	-	300
Depreciation	-	-	-	-	-	-	3,069	-	3,069
Insurance	1,348	1,685	2,443	1,853	168	7,497	590	337	8,424
Interest	281	351	509	386	35	1,562	123	70	1,755
Professional services	2,564	3,205	4,647	3,526	321	14,263	1,122	641	16,026
Loss from Mayfair LLC	-	-	-	2,367	-	2,367	-	-	2,367
Mayfair Commons Resyndication	-	-	-	3,262	-	3,262	-	-	3,262
Program expense	21,004	26,297	38,080	-	-	85,381	-	-	85,381
Other indirect costs	7,379	9,224	13,375	10,147	922	41,047	3,449	1,845	46,341
Total Expenses	\$ 91,445	\$ 114,649	\$ 165,755	\$ 102,487	\$ 8,805	\$ 483,141	\$ 34,108	\$ 17,611	\$ 534,860

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

NORTH RIVER COMMISSION
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2014

Increase (Decrease) in Cash:

	<u>Organization Total</u>
Cash Flows From Operating Activities:	
Change in net assets	\$ 12,886
Adjustments to reconcile change in unrestricted net assets to net cash provided (used) by operating activities	
Depreciation	3,069
Change in accounts receivable	(36,471)
Change in other assets	(7,640)
Change in accounts payable and accrued expense	<u>22,762</u>
 Total adjustments	 <u>(18,280)</u>
 Net Cash provided (used) by Operating Activities	 <u>(5,394)</u>
 Cash (used by) Investment Activities	 <u>-</u>
 Net Cash (used) by Investment Activities	 <u>-</u>
 Cash Flows From Financing Activities	
Draws on line of credit	44,131
Payments on line of credit	<u>(4,500)</u>
Net Cash provided (used) by Financing Activities	<u>39,631</u>
 NET INCREASE (DECREASE) IN CASH	 <u>\$ 34,237</u>
 CASH AT BEGINNING OF YEAR	 <u>49,795</u>
 CASH AT END OF YEAR	 <u><u>\$ 84,032</u></u>

Supplemental Disclosure of Cash Flow Information:

Cash Paid During the Year for:	
Interest	<u><u>\$ 1,755</u></u>

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

NORTH RIVER COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

ORGANIZATION, MISSION STATEMENT, AND PROGRAMS

North River Commission (the Organization) is an Illinois not-for-profit community organization serving the northwest section of Chicago. Founded in 1962, North River Commission (NRC) focuses on comprehensive community development, including arts and culture, education organizing, economic development, affordable housing, and community and park planning. NRC unites more than one hundred civic organizations, schools, businesses, and institutions to coordinate ideas and concentrate the resources of the North River community to improve the quality of life for all. The mission of the North River Commission is to provide a forum for all community interest groups and organizations to meet and express their views, discover and determine common goals, and to support efforts to uphold, maintain, and enhance the quality of life in the residential, institutional, educational, and business areas of the North River community. Effective with the year ending June 30, 2009 the Organization officially absorbed the Albany Park Chamber of Commerce (Chamber), another not for profit corporation.

Education programs

NRC provides programs that support school improvement for all neighborhood schools. By working with universities, community partners, and local business, NRC works to transform the schools into the center of their communities and improving their capacity to raise student achievement. NRC staff collaborates with educators, administrators, and parents to target school needs, building sustainable programs that engage the community residents in projects aligned with local schools and the student's interests. NRC connects local school leaders to a number of key resources, including professional development, college/career readiness and service learning opportunities, and after school programming.

NRC has a successful partnership with the Illinois State University Chicago Teacher Education Pipeline (CTEP). This program provides targeted support to selected school partners, including a pool of highly qualified urban teaching candidates, support for curricula development, student assessment and in-service professional development for the school's staff. In addition, this partnership offers resources for after school programming as well as opportunities for local high school students to participate in full-day ISU campus visits. NRC also continues to work closely with local institutions such as Northeastern Illinois University and North Park University to support college readiness and service learning initiatives at our local high schools.

NORTH RIVER COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

ORGANIZATION, MISSION STATEMENT, AND PROGRAMS (continued)

Housing

NRC leverages the creation of affordable housing development projects by partnering with private and non-profit developers, providing referral and relocation assistance to area tenants, and working collegially with local landlords to preserve quality market rate rentals and subsidized senior housing developments. NRC develops affordable housing, advocates for housing resources, and provides technical assistance and resources to landlords, residents, and developers of affordable housing. For those seeking rental apartments, NRC has assisted in the placement of low-moderate income tenants in multi-family housing appropriate to their needs and income. NRC also offers workshops and technical assistance to area landlords, developers and homeowners examining issues such as property tax relief, energy audits, green building technologies and city and state loan and grant programs for affordable housing.

To date, NRC has assisted in the creation and rehabilitation of over 1,600 units of affordable housing in 51 projects, totaling \$68,000,000 of reinvestment in the North River community.

In 1999, NRC developed the \$10 million, 97-unit Mayfair Commons Senior Living Center at 4444 West Lawrence. The building enables seniors to "age in place" among friends and family in the Mayfair neighborhood. Other successes include the creation of over 600 units of subsidized senior housing, and the rehabilitation of dozens of apartment buildings benefiting thousands of low-income families. The Organization is currently exploring partnerships with non-profits and developers to create more affordable living opportunities for households in the North River communities.

Economic Development

Over the past 30 years, NRC has revitalized nearly 400 businesses on the Lawrence Avenue commercial corridor through storefront improvements, multiple small business loans, property referrals, beautification, marketing and promotions representing \$350 million in reinvestment. In the mid-1970's NRC tackled blight on Lawrence Avenue, first by re-organizing the Albany Park Chamber of Commerce (which now boasts over 100 member businesses) and then by creating the Lawrence Avenue Development Corporation (LADCOR) in 1975. Subsequently, businesses along the Lawrence/Kedzie commercial corridor, the historic center of our economic activity, benefited from façade improvements, small business loans, beautification efforts, and the installation of Chicago's first ever trees, lights and benches in a commercial corridor.

NORTH RIVER COMMISSION

*NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014*

ORGANIZATION, MISSION STATEMENT, AND PROGRAMS (continued)

Economic Development (continued)

NRC/LADCOR leads the charge for Albany Park's continued economic vitality with its award-winning model of innovative and comprehensive economic development. NRC continues to support the business community by connecting partners, employers and investors who are working together and are committed to the success of the neighborhood. NRC/LADCOR's goals are to beautify the commercial streets, work to improve transportation, improve safety and security, expand resources for businesses, retain/attract businesses, and market our commercial district. NRC/LADCOR promotes the Small Business Improvement Fund (SBIF) which has been used to renovate over 40 businesses and leverage the investment of over \$10 million of public and private funds. NRC/LADCOR continues to beautify the area through streetscape improvements like banners and planters, engaging hundreds of volunteers each year from area schools, businesses and institutions in beautification efforts. With new interest in transit oriented development, the Chicago Transit Authority and Illinois Department of Transportation and others are ready to reengage in planning for the Lawrence Avenue and Brown Line corridor, a long term priority of NRC/LADCOR. NRC/LADCOR is building on its award-winning legacy of corridor enhancement programs to further clean up the streets and sidewalks and support the retention/ attraction of businesses. Membership in the Albany Park Chamber is strong and continues to grow year after year.

As a model for innovative community development in Chicago, LADCOR has reached well over 3,000 area businesses, leveraged over \$300 million of investment created and retained or created 3,500 jobs.

LADCOR retail developments, including the 12-store Kimball Plaza, enabled the commercial district to achieve a less than 3% vacancy rate and emerge with a variety of ethnic and immigrant owned businesses.

NRC is also leading Special Service Area (SSA) efforts for the Albany Park and Irving Park neighborhoods. The SSA provides hundreds of thousands of dollars of enhanced services and programs over a 10-year span that are in addition to the current services provided by the City. The SSA is a tool that enables communities to clean up and beautify designated boundaries within their commercial district.

NORTH RIVER COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

ORGANIZATION, MISSION STATEMENT, AND PROGRAMS (continued)

Arts and Culture

NRC undertook a year of strategic planning with the community and created our Building Community through the Arts (BCA) Plan which explores the union of arts and culture with community development in the North River community. With philanthropic support from LISC/Chicago in cooperation with the Joyce Foundation, Building Community through the Arts draws upon the creative power of existing arts organizations and Albany Park's indigenous ethnic and cultural groups to establish a comprehensive and coordinated arts and community development plan. NRC created a cultural plan for the neighborhood, as well as identified community arts projects and a timeline for their implementation. NRC has completed over 90% of the plan to date, engaging dozens of partner organizations and hundreds of community members and local artists in its projects. The creation of a Multicultural Sculpture Park and Healing Garden was a priority project identified in the plan, as well as expanding arts and cultural opportunities for area schoolchildren. Other priorities were to provide support in any way possible to local artists and cultural organizations, and work with the Albany Park Chamber of Commerce and LADCOR to engage the business community in beautification of our retail district.

Now 100% completed, the plan has bolstered existing initiatives, strengthened arts, music, theater and cultural programming in the local schools, and provided local civic associations and artist groups with planning and coordination of public arts festivals and walks, performances. We have partnered with businesses and artists to beautify our commercial corridor, provided public art opportunities to artists and performers, and connect local artists to businesses, schools, and the community at large. NRC has now created another 5 year Arts & Culture Action Plan.

North Park Village and Parks/Open Spaces

In 1974, NRC mobilized thousands of area residents and civic organizations preventing the construction of a suburban shopping center and 3,000 condominiums at what was once Chicago's Metropolitan Tuberculosis Sanitarium (MTS), leading to the creation of North Park Village (NPV). Through 35 years of civic engagement, planning and advocacy, this 155-acre public use site houses Chicago's first Nature Preserve and Nature Study area, community gardens, a 45-acre park, affordable housing for over 600 low income seniors, a recycling center, and provides thousands of children access to an Olympic style gymnastics center. NPV is an urban oasis of open space that has become a treasured asset for the community and the City of Chicago.

NORTH RIVER COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

ORGANIZATION, MISSION STATEMENT, AND PROGRAMS (continued)

For over 35 years, NRC has assisted the North Park Village Advisory Council (NPVAC), a membership organization comprised of 45 civic associations, community groups and government agencies, to work collectively to address key concerns and maintain and protect the site. This includes addressing and advocating for environmental issues, greening projects, senior resident concerns and extending the 75 year easement in perpetuity. NRC continues to enhance and expand services for NPV residents, working with the NPVAC to secure a new "Senior Surrey" shuttle bus to transport residents within North Park Village, a site which is larger than Grant Park. More recently, NRC connected partners Elderly Housing Development Operations Corporation (EHDOC), Korean American Community Services (KACS), Swedish Covenant Hospital and Northeastern Illinois University together to offer residents free monthly meetings and activities covering a variety of culturally diverse topics including health screenings, overcoming cultural and linguistic barriers, and dance, yoga and tai chi classes. NPVAC leaders and the 39th Ward have also been planning for the renovation of the former Health Center facility to be converted into a Senior Wellness and Center. When realized, this facility will offer health and exercise programs and overall care for area seniors. NRC has also worked to build the capacity of the newly managed cafeteria program that was successfully coordinated by NRC and opened this past year by Chef Fresh. We continue to connect resources and volunteers to the non-paid chef while looking for more sustainable solutions to meet the healthy food needs of the seniors.

NRC is also significantly involved with the Global Gardens, a combined Urban Refugee Training Farm & Community Allotment Garden we helped bring to Albany Park that includes community gardening plots, gardening and farming classes, and public green space. Through partnerships with the Peterson Garden Project (PGP) and Global Gardens Refugee Training Farm (GGRTF) thousands of pounds of personal and commercial products are grown onsite annually to support the food equity needs of the community. This year the PGP Grow2Give program will provide fresh organic vegetables to the North Park Village cafeteria that is open to both the senior residents onsite and members of the community.

NORTH RIVER COMMISSION

*NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014*

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Financial Statement Presentation

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

Under current accounting standards, the Organization is required to report information regarding its financial position according to three classes of net assets: unrestricted net assets, which represents the expendable resources that are available for operations at management's discretion; temporarily restricted net assets, which represents resources restricted by donors as to purpose or by passage of time; and permanently restricted net assets, which represents resources whose use by the organization is limited by donor imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the organization. The Organization had \$39,018 of temporarily restricted net assets and no permanently restricted net assets at June 30, 2014.

Property, Equipment, Capitalization and Depreciation

Property and equipment are recorded at cost. Depreciation is calculated using the straight-line method over estimated useful lives of the assets. Depreciation expense for the year ended June 30, 2014 amounted to \$3,069. The Organization generally capitalizes assets costing \$500 or more.

Financial Statement Estimates

The preparation of financial statements in conformity with generally accepted 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 period. Actual results could differ from those estimates.

Long-lived assets

The Organization reviews its investments for impairment whenever events or changes in circumstances indicated that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net undiscounted cash flow expected to be generated by the investment and any estimated proceeds from the eventual disposition of the investment. If the investment is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds the fair value of such property. There were no impairment losses recognized during the year ended June 30, 2014.

NORTH RIVER COMMISSION

*NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014*

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a)(2).

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. There were no cash equivalents at June 30, 2014.

Allowance for Doubtful Accounts

The Organization follows the practice of charging uncollectible accounts to unrestricted activities in the period they are determined uncollectible. No allowance for uncollectible accounts has been provided as on June 30, 2014, since all contributions, grants and program fees receivable are expected to be collected in full.

Investments

The Organization reports its investment in Mayfair Commons, LLC using the equity method of accounting.

Application of Functional Expenses

Expenses are allocated to program and supporting services based on the time spent by employees performing each function during the year. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for overall support and direction of the Organization.

NORTH RIVER COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Uncertain Tax Positions

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. The Organization is not involved in any venture which, in its opinion, is subject to tax on unrelated business income. Accordingly, the Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

The Organization's federal Exempt Organization Returns for the years ending June 30, 2011, 2012 and 2013 are subject to examination by the IRS, generally for three years after they were filed. Additionally, all required payroll tax returns through June 30, 2014 have been filed. The Organization has not been notified by the Internal Revenue Service that they are subject to any examination at this time. Accordingly, the tax years prior to July 1, 2010 are considered closed. At the time of issuance of this audit report, the tax return for the year ended June 30, 2014 has not been filed and is on extension.

DATE OF MANAGEMENT REVIEW

The Organization has evaluated subsequent events through May 8, 2015, the date which the financial statements were available to be issued.

PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2014 consists of the following:

Leasehold improvements	\$ 22,340
Equipment and furniture	<u>45,075</u>
Total at cost	\$ 67,416
Less: Accumulated depreciation	<u>(65,550)</u>
Net property and equipment	<u>\$ 1,866</u>

Property and equipment is being depreciated on the straight-line method over lives of 3 to 7 years, and as noted previously, depreciation amounted to \$3,069 for the year ended June 30, 2014.

NORTH RIVER COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

LINE OF CREDIT

The Organization, signed a demand note with Albany Bank and Trust Company N.A. on January 18, 2007. Interest is currently payable monthly at a rate of 3.25%, and was paid for the year through June 30, 2014. The assets of the Organization are pledged as part of a blanket lien to secure the note. \$71,400 was due on the line as of June 30, 2014.

DONATED SERVICES

The Organization receives community support from donated services of volunteers, and 113 volunteers logged approximately 3,209 service hours. Contributions of these donated services were valued by the Organization at a rate of \$22 per hour, in the aggregate amount of approximately \$70,598. These services have not otherwise been included in the financial statements, as they do not meet the criteria established by current accounting standards for recording donated services.

OPERATING LEASE AND RENT ABATEMENT

On May 5th, 2010 the Organization extended its existing lease (originally dated February 1, 2007) with Albany Bank and Trust Company for its offices located at 3403 W. Lawrence Ave, Chicago, Illinois. Pursuant to the lease, the Organization is responsible for 12.67% of building operating expenses and 7.74% of taxes. The lease was extended through May 31, 2013. The Organization is currently on a month to month lease, and intends to move at some point in the future. Total rent expense amounted to \$18,480 for the year ended June 30, 2014.

NORTH RIVER COMMISSION

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2014 consisted of funds designated for:

All Kids program	\$	8,168
Façade program		10,000
DCEO Street Kiosk		<u>20,850</u>
Total temporarily restricted net assets	\$	<u><u>39,018</u></u>

PRIOR PERIOD ADJUSTMENT

The Organization was informed subsequent to June 30, 2014 that \$25,702 could not be collected from the prior year (2013) receivables. Additionally, \$8,111 in accrued expense was reversed as it had been recorded as part of payables in 2014. The net prior period adjustment was \$17,591.

SYNDICATION EXPENSE AND RECEIVABLE

The Organization is taking the lead in re-syndicating the senior housing project, Mayfair Commons. At June 30, 2014, syndication expense for items that could not be collected amounted to \$3,262. Reimbursable receivables for this project amounted to \$9,507.

SUBSEQUENT EVENTS AND RELATED PARTY TRANSACTIONS

The Organization in consideration of \$1, purchased the 99% limited partnership interest in Mayfair Commons, LP at the close of business on August 31, 2014 from the National Equity Fund. In addition to the 99% limited partnership interest, the Organization is a 50% member of the general partner, Mayfair Commons LLC. Debt (City of Chicago mortgages, accrued interest and a secondary mortgage) associated with the 99% limited partnership interest amounted to \$6,812,016 and is secured by the apartment building and land. The debt is classified as non-recourse. The Organization recorded \$24,000 in management fees from Mayfair Commons during the year ended June 30, 2014. Refer to the above note for syndication costs and receivable.