

LYNDALE NEIGHBORHOOD ASSOCIATION
(A NONPROFIT CORPORATION)
MINNEAPOLIS, MINNESOTA

FINANCIAL STATEMENTS

FOR THE YEARS ENDED
DECEMBER 31, 2014 AND 2013

LYNDALE NEIGHBORHOOD ASSOCIATION
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Lyndale Neighborhood Association
Minneapolis, Minnesota

We have audited the accompanying financial statements of Lyndale Neighborhood Association (the Organization), a Minnesota nonprofit corporation, which comprise the statements of financial position as of December 31, 2014 and 2013, 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 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 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 the Organization as of December 31, 2014 and 2013, 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.

ABDO, EICK & MEYERS, LLP
Minneapolis, Minnesota
April 15, 2015

FINANCIAL STATEMENTS

LYNDALE NEIGHBORHOOD ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2014 AND 2013

	2014	2013
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 120,884	\$ 170,489
Accounts receivable, net	907	661
Grants and contracts receivable	171,710	115,334
Loans receivable, current portion	2,080	3,750
Prepaid expenses	1,674	1,680
TOTAL CURRENT ASSETS	297,255	291,914
PROPERTY AND EQUIPMENT		
Land	42,112	42,112
Property	297,535	293,045
TOTAL PROPERTY AND EQUIPMENT	339,647	335,157
LESS ACCUMULATED DEPRECIATION	(98,443)	(87,733)
TOTAL PROPERTY AND EQUIPMENT, NET	241,204	247,424
OTHER NONCURRENT ASSETS		
Restricted cash	18,043	51,638
Loans receivable	57,698	68,366
TOTAL OTHER NONCURRENT ASSETS	75,741	120,004
TOTAL ASSETS	\$ 614,200	\$ 659,342

See Independent Auditor's Report and Notes to Financial Statements.

LYNDALE NEIGHBORHOOD ASSOCIATION
STATEMENTS OF FINANCIAL POSITION - CONTINUED
DECEMBER 31, 2014 AND 2013

	2014	2013
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 13,658	\$ 20,537
Accrued payroll	6,489	6,919
Deferred revenue	10,000	10,667
Funds held as fiscal agent	77,821	123,754
Loans payable, current portion	6,889	10,489
TOTAL CURRENT LIABILITIES	114,857	172,366
LONG-TERM LIABILITIES		
Security deposits payable	-	1,010
Loans payable	82,627	92,280
TOTAL LONG-TERM LIABILITIES	82,627	93,290
TOTAL LIABILITIES	197,484	265,656
NET ASSETS		
UNRESTRICTED NET ASSETS		
Unrestricted	241,666	235,211
Board designated	84,400	73,300
TOTAL UNRESTRICTED NET ASSETS	326,066	308,511
TEMPORARILY RESTRICTED NET ASSETS		
Temporarily restricted	90,650	85,175
TOTAL NET ASSETS	416,716	393,686
TOTAL LIABILITIES AND NET ASSETS	\$ 614,200	\$ 659,342

See Independent Auditor's Report and Notes to Financial Statements.

LYNDALE NEIGHBORHOOD ASSOCIATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014		
	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT			
SUPPORT			
Private grants and contributions	\$ 174,013	\$ 90,650	\$ 264,663
In-kind rent revenue	4,320	-	4,320
TOTAL SUPPORT	178,333	90,650	268,983
REVENUE			
Government grants and contracts	243,963	-	243,963
Ad sales	6,105	-	6,105
Book sales	85	-	85
Rental income	14,205	-	14,205
Interest income	293	-	293
Miscellaneous	9,877	-	9,877
TOTAL REVENUE AND SUPPORT	452,861	90,650	543,511
NET ASSETS RELEASED FROM RESTRICTIONS	85,175	(85,175)	-
EXPENSES			
Program services	359,442	-	359,442
Supporting services			
Management and general	53,402	-	53,402
Fundraising	107,637	-	107,637
TOTAL EXPENSES	520,481	-	520,481
CHANGE IN NET ASSETS	17,555	5,475	23,030
BEGINNING NET ASSETS, ORIGINALLY STATED	308,511	85,175	393,686
PRIOR PERIOD ADJUSTMENT	-	-	-
BEGINNING NET ASSETS, ADJUSTED	308,511	85,175	393,686
ENDING NET ASSETS	\$ 326,066	\$ 90,650	\$ 416,716

See Independent Auditor's Report and Notes to Financial Statements.

LYNDALE NEIGHBORHOOD ASSOCIATION
STATEMENTS OF ACTIVITIES - CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2013		
	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT			
SUPPORT			
Private grants and contributions	\$ 328,524	\$ 85,175	\$ 413,699
In-kind rent revenue	4,320	-	4,320
TOTAL SUPPORT	332,844	85,175	418,019
REVENUE			
Government grants and contracts	259,803	-	259,803
Ad sales	9,623	-	9,623
Book sales	383	-	383
Rental income	14,200	-	14,200
Interest income	429	-	429
Miscellaneous	3,619	-	3,619
TOTAL REVENUE AND SUPPORT	620,901	85,175	706,076
NET ASSETS RELEASED FROM RESTRICTIONS	35,878	(35,878)	-
EXPENSES			
Program services	530,870	-	530,870
Supporting services			
Management and general	63,408	-	63,408
Fundraising	40,651	-	40,651
TOTAL EXPENSES	634,929	-	634,929
CHANGE IN NET ASSETS	21,850	49,297	71,147
BEGINNING NET ASSETS, ORIGINALLY STATED	237,700	149,113	386,813
PRIOR PERIOD ADJUSTMENT	48,961	(113,235)	(64,274)
BEGINNING NET ASSETS, ADJUSTED	286,661	35,878	322,539
ENDING NET ASSETS	\$ 308,511	\$ 85,175	\$ 393,686

See Independent Auditor's Report and Notes to Financial Statements.

LYNDALE NEIGHBORHOOD ASSOCIATION
 STATEMENTS OF FUNCTIONAL EXPENSE
 FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014			
	Program Services	Management and General	Fundraising	Total Expenses
EXPENSES				
Payroll				
Staff salaries and wages	\$ 200,648	\$ 33,332	\$ 83,464	\$ 317,444
Payroll taxes	15,752	2,617	6,552	24,921
Benefits	16,041	2,665	6,673	25,379
Processing fees	-	461	-	461
Total payroll expenses	232,441	39,075	96,689	368,205
Contracts and consulting	20,105	457	-	20,562
Depreciation	6,761	1,137	2,812	10,710
Interest	3,839	645	1,598	6,082
Insurance	3,581	602	1,489	5,672
Occupancy	3,595	604	1,495	5,694
Office	14,331	7,306	-	21,637
Printing and postage	14,960	-	-	14,960
Professional services	1,196	406	884	2,486
Program	43,710	-	-	43,710
Repairs and maintenance	4,824	811	2,006	7,641
Subscriptions and dues	375	-	-	375
Supplies	8,126	2,090	-	10,216
Telephone	1,598	269	664	2,531
TOTAL EXPENSES	<u>\$ 359,442</u>	<u>\$ 53,402</u>	<u>\$ 107,637</u>	<u>\$ 520,481</u>

See Independent Auditor's Report and Notes to Financial Statements.

LYNDALE NEIGHBORHOOD ASSOCIATION
STATEMENTS OF FUNCTIONAL EXPENSE - CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2013			Total Expenses
	Program Services	Management and General	Fundraising	
EXPENSES				
Payroll				
Staff salaries and wages	\$ 215,128	\$ 32,267	\$ 29,585	\$ 276,980
Payroll taxes	17,336	2,600	2,856	22,792
Benefits	16,077	2,411	2,649	21,137
Processing fees	-	557	-	557
Total payroll expenses	248,541	37,835	35,090	321,466
Contracts and consulting	40,995	588	-	41,583
Depreciation	8,091	1,232	1,333	10,656
Interest	4,231	644	697	5,572
Insurance	2,682	560	1,607	4,849
Occupancy	3,957	602	652	5,211
Office	11,421	5,399	-	16,820
Printing and postage	12,097	586	-	12,683
Professional services	1,729	9,612	235	11,576
Program	178,698	-	-	178,698
Repairs and maintenance	4,391	668	724	5,783
Subscriptions and dues	263	-	-	263
Supplies	11,875	5,393	-	17,268
Telephone	1,899	289	313	2,501
TOTAL EXPENSES	<u>\$ 530,870</u>	<u>\$ 63,408</u>	<u>\$ 40,651</u>	<u>\$ 634,929</u>

See Independent Auditor's Report and Notes to Financial Statements.

LYNDALE NEIGHBORHOOD ASSOCIATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 23,030	\$ 71,147
Adjustment to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	10,710	10,656
Change in current assets:		
Accounts receivable	(246)	46
Grants and contracts receivable	(56,376)	33,888
Prepaid expenses	6	(331)
Restricted cash	33,595	(7,849)
Change in current liabilities:		
Accounts payable	(6,879)	8,206
Accrued payroll	(430)	(151)
Deferred revenue	(667)	(30,746)
Funds held as fiscal agent	(45,933)	26,480
Security deposits payable	(1,010)	210
	<u>(44,200)</u>	<u>111,556</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Cash outlay for property and equipment	(4,490)	-
Proceeds from loans receivable	12,338	1,933
	<u>7,848</u>	<u>1,933</u>
 CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on loans payable	(13,253)	(8,476)
	<u>(13,253)</u>	<u>(8,476)</u>
 CHANGE IN CASH AND CASH EQUIVALENTS	(49,605)	105,013
 CASH AND CASH EQUIVALENTS, BEGINNING	<u>170,489</u>	<u>65,476</u>
 CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 120,884</u>	<u>\$ 170,489</u>
 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for:		
Interest	<u>\$ 4,957</u>	<u>\$ 5,572</u>
 SUPPLEMENTAL SCHEDULE OF NONCASH TRANSACTIONS		
Prior period adjustment for receivable recognized in current year	<u>\$ -</u>	<u>\$ 20,000</u>
Prior period adjustment for liabilities related to loans payable	<u>\$ -</u>	<u>\$ 7,000</u>
Prior period adjustment for funds held as fiscal agent	<u>\$ -</u>	<u>\$ (97,274)</u>
Prior period adjustment for liability to LNA	<u>\$ -</u>	<u>\$ (39,636)</u>
Prior period adjustment for receivable from LNA	<u>\$ -</u>	<u>\$ 39,636</u>
Prior period adjustment for loans receivable	<u>\$ -</u>	<u>\$ 6,000</u>

See Independent Auditor's Report and Notes to Financial Statements.

LYNDALE NEIGHBORHOOD ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Activities

The Organization is located in Minneapolis, Minnesota, and its service area is bounded by Lake Street on the North, Lyndale Avenue on the West, 36th Street on the South, and I-35W on the East.

The Organization's mission is to bring people together to work on common issues and opportunities to ensure all community members have the opportunity to live, work, and play in a safe, vibrant, and sustainable community.

B. Financial Statement Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Contributions received are recorded as an increase in unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted Net Assets – Unrestricted net assets are those resources over which the Organization has discretionary control. Designated amounts represent revenues that the Board of Directors has set aside for a particular purpose.

Temporarily Restricted Net Assets – Temporarily restricted net assets are those resources subject to donor-imposed restrictions, which will be satisfied by actions of the Organization and/or the passage of time.

Permanently Restricted Net Assets – Permanently restricted net assets are those resources subject to donor imposed restrictions that they be maintained permanently by the Organization. There were no permanently restricted net assets at December 31, 2014 and 2013.

C. 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

D. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

E. Accounts Receivable

Accounts receivable consist of uncollateralized customer obligations. These receivables have been adjusted for all known uncollectible accounts. Management considers historical write-off and recovery information in determining the estimated bad debt provisions. No allowance for doubtful accounts has been provided as of December 31, 2014 and 2013, since management expects all receivables to be collectible.

F. Grants Receivable

Grants receivables generally consist of reimbursement requests under grant awards. These receivables have been adjusted for all known uncollectible accounts. Management considers historical write-off and recovery information in determining the estimated bad debt provisions. No allowance for doubtful accounts has been provided as of December 31, 2014 and 2013 since management expects all receivables to be collectible.

LYNDALE NEIGHBORHOOD ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

G. Property and Equipment

Property and equipment is recorded at cost or estimated fair value at the date of contribution. The Organization capitalizes all property and equipment acquisitions in excess of \$1,000. Depreciation is computed using appropriate straight-line and accelerated methods with estimated useful lives as follows:

Assets	Useful Life
Buildings	27.5 years

Upon retirement or other disposition, the cost and related accumulated depreciation of disposed assets are removed from the accounts and any resultant gain or loss is recognized in operations. Repairs and maintenance are charged to expense as incurred. Renewals and improvements that extend the useful lives of assets are capitalized and depreciated over future periods.

H. Restricted Cash

The Organization is under contracts with a government program in regards to use of cash granted to them under the contracts. Under the agreements, the funds are restricted for various housing-related loans unless approval for modification is received from the program. The Organization currently holds \$18,043 and \$51,638 in restricted cash under this program as of December 31, 2014 and 2013, respectively.

I. Support and Revenue Recognition

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in temporarily restricted net assets and releases from restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

J. Deferred Revenue

Deferred revenue at December 31, 2014 and 2013 consisted of the following:

	2014	2013
NRP contract #26272	\$ 10,000	\$ 10,000
NRP contract #26274	-	667
Total	\$ 10,000	\$ 10,667

LYNDALE NEIGHBORHOOD ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

K. Security Deposits Payable

These deposits are for money the Organization was paid from their lessees as damage deposits. Security deposits for the years ended December 31, 2014 and 2013 were \$0 and \$1,010, respectively.

L. Compensated Absences

The Organization has made no accrual for compensated absences as of December 31, 2014 and 2013.

M. In-kind Contributions

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. The Organization received \$4,320 in rent during the years ended December 31, 2014 and 2013.

N. Functional Allocation of Expenses

Salary and related payroll expenses are allocated to the program services based upon payroll records and the best estimates of management. Expenses, other than salaries and related expenses, which are not directly identifiable by program or supporting service, are allocated based on the best estimates of management.

O. Income Taxes

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state income tax laws. The Organization is not a private foundation and contributions to the Organization qualify as a charitable deduction by the contributor.

The Organization has evaluated for uncertain tax positions. Management has expressed that there are no uncertain tax positions as of December 31, 2014. The Organization's tax returns are subject to possible examination by the taxing authorities. For federal tax purposes, the tax returns essentially remain open for possible examination for a period of three years after the date on which those returns are filed. The Organization believes that it is no longer subject to federal and state income tax examinations for the year prior to 2011.

P. Subsequent Events

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through Report Date, 2015, the date the financial statements were available to be issued.

LYNDALE NEIGHBORHOOD ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

Note 2: LOANS RECEIVABLE

Loans receivable consisted of the following at December 31, 2014 and 2013:

	2014	2013
Loan receivable from neighborhood residents, originally dated September 21, 1999, with an original maturity date of November 2009. Payable in monthly installments of \$170 with a built in fixed interest rate of 4% per annum.	\$ -	\$ 1,670
Forgivable loan receivable from neighborhood resident, originally dated March 15, 2007. If the related property is not transferred or sold by the fifteenth (15) anniversary date of this note, the Borrower shall have no obligation to repay, and the loan will be forgiven and shall terminate and become null. Otherwise, the notes shall be repaid with interest based on the schedule set forth in the loan.	4,810	4,810
Forgivable loan receivable from neighborhood residents, originally dated November 8, 2006. If the related property is not transferred or sold by the fifteenth (15) anniversary date of this note, the Borrower shall have no obligation to repay, and the loan will be forgiven and shall terminate and become null. Otherwise, the note shall be repaid with interest based on the schedule set forth in the loan.	20,000	20,000
Loan receivable from Lyndale Neighborhood Association, originally dated July 28, 2011, with an original maturity date of August 10, 2021. Payable in monthly installments of \$483 with a built in fixed interest rate of 3% per annum.	34,968	39,636
Forgivable loan receivable from neighborhood residents, originally dated March 27, 2007. If the related property is not transferred or sold by the tenth (10) anniversary date of this note, the Borrower shall have no obligation to repay, and the loan will be forgiven and shall terminate and become null. Otherwise, the note shall be repaid fully without interest.	-	3,000
Forgivable loan receivable from neighborhood residents, originally dated December 15, 2006. If the related property is not transferred or sold by the tenth (10) anniversary date of this note, the Borrower shall have no obligation to repay, and the loan will be forgiven and shall terminate and become null. Otherwise, the note shall be repaid full without interest.	-	3,000
Subtotal	59,778	72,116
Less: allowance for doubtful accounts	-	-
Total	\$ 59,778	\$ 72,116

LYNDALE NEIGHBORHOOD ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

Note 3: LONG-TERM DEBT

Long-term debt consisted of the following at December 31, 2014 and 2013:

	2014	2013
Note payable to Associated Bank, N.A., updated on November 5, 2013, with an variable annual percentage rate of 8.5%. Currently payable in monthly installments of \$583.	\$ 54,548	\$ 56,804
Note payable to Associated Bank, N.A., originally dated November 24, 2009 with an original maturity date of November 24, 2014. Payable in monthly installments of \$587 with fixed interest payments equal to 6.5% per annum.	-	6,329
Note payable to the City of Minneapolis, through Lyndale Neighborhood Association, originally dated July 28, 2011 with an original maturity date of August 10, 2021. Payable in monthly installments of \$483 with fixed interest payments equal to 3% per annum.	34,968	39,636
Total debt	89,516	102,769
Less current portion	(6,889)	(10,489)
Total long-term debt	\$ 82,627	\$ 92,280

Interest expense was \$6,082 and \$5,572 for the years ended December 31, 2014 and 2013, respectively.

Future maturities of long-term debt are as follows:

Year	Building Loan	Redevelopment Loan
2015	\$ 2,080	\$ 4,809
2016	2,080	4,955
2017	2,080	5,105
2018	2,080	5,261
2019	2,080	5,421
Thereafter	44,148	9,417
Total	\$ 54,548	\$ 34,968

LYNDALE NEIGHBORHOOD ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

Note 4: TEMPORARILY RESTRICTED NET ASSETS

At December 31, 2014 and 2013, temporarily restricted net assets were restricted by the following donors:

	2014	2013
Beim Foundation	\$ 5,400	\$ -
Carolyn Foundation	-	15,000
Marbrook Foundation	15,000	10,000
McKnight Foundation	7,500	2,500
Minneapolis Foundation	25,000	25,000
MRAC Hosmer	5,750	6,675
Nexus Community Partners	20,500	9,000
Wedge Community Co-op	6,500	
Wells Fargo Foundation	5,000	17,000
Temporarily restricted net assets, December 31	\$ 90,650	\$ 85,175

Note 5: CONCENTRATION

A substantial portion of the Organization's revenues are received in the form of grants and grant contracts; therefore, the Organization is dependent upon future continuation of these contracts. The Organization receives grants from two significant sources, which make up approximately 50% of all the Organization's revenue. The Organization encounters a certain amount of credit risk as the result of a concentration of revenues from, and receivables from these significant sources. A significant reduction in the level of fees earned from these entities may have an impact on the Organization's ability to continue its programs and services.

Note 6: RELATED PARTY TRANSACTIONS

As of December 31, 2014 and 2013, the Organization maintained an offsetting loan receivable and loan payable, through the City of Minneapolis' loan program, to themselves. The balance of this loan as of December 31, 2014 and 2013 was - \$34,968 and \$39,636, respectively. See Notes 2 and 3 for details regarding terms of the loans.

Note 7: PRIOR PERIOD ADJUSTMENT

Certain items prior to the year ended December 31, 2013, have been adjusted to conform to generally accepted accounting principles. These items include the following:

	December 31, 2012		
	Previously Reported	Increase/ (Decrease)	Restated
REVENUE AND SUPPORT			
Private grants and contributions	\$ 131,740	\$ 20,000	\$ 151,740
CHANGE IN NET ASSETS	\$ (2,727)	\$ 20,000	\$ 17,273
BEGINNING NET ASSETS	389,540	(84,274)	305,266
ENDING NET ASSETS	\$ 386,813	\$ (64,274)	\$ 322,539