

CENTER FOR RESILIENT CITIES, INC.

**CONSOLIDATED FINANCIAL STATEMENTS
WITH CONSOLIDATING INFORMATION**

December 31, 2016 and 2015

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Center for Resilient Cities, Inc.
Madison, Wisconsin

We have audited the accompanying consolidated financial statements of Center for Resilient Cities, Inc., which comprise the consolidated statements of financial position as of December 31, 2016 and 2015, and the related consolidated statements of activities 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 consolidated 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 consolidated 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 consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Center for Resilient Cities, Inc. as of December 31, 2016 and 2015, 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.

Report on Consolidating Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules of financial position and activities are presented for

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purposes of additional analysis of the consolidated financial statements rather than to present the financial position and changes in net assets of the individual entities, and they are not a required part of the consolidated 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 consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Wegner CPAs LLP

Wegner CPAs, LLP
Madison, Wisconsin
March 31, 2017

CENTER FOR RESILIENT CITIES, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2016 and 2015

	2016	2015
ASSETS		
Cash	\$ 198,602	\$ 112,221
Prepaid expenses	534	9,122
Accounts receivable	801	6,115
Unconditional promises to give - net	545,329	729,108
Cash restricted for project development and land acquisition	-	194,477
Cash held in escrow	184,800	235,050
Note receivable	4,956,000	4,956,000
Closing costs - net	170,185	215,568
Property and equipment - net	7,754,181	7,859,546
Intangible assets - net	19,056	22,069
Beneficial interest in assets held by Madison Community Foundation	109,444	107,346
Land held in trust	88,200	88,200
Total assets	\$ 14,027,132	\$ 14,534,822
LIABILITIES		
Accounts payable	\$ 28,490	\$ 107,219
Accrued interest	446,146	377,271
Deferred revenue	5,451	-
Lines of credit	1,500,000	1,499,913
Notes payable	7,549,259	7,597,196
Total liabilities	9,529,346	9,581,599
NET ASSETS		
Unrestricted	3,642,645	3,845,800
Temporarily restricted	766,941	1,019,223
Permanently restricted	88,200	88,200
Total net assets	4,497,786	4,953,223
Total liabilities and net assets	\$ 14,027,132	\$ 14,534,822

See accompanying notes.

CENTER FOR RESILIENT CITIES, INC.
CONSOLIDATED STATEMENTS OF ACTIVITIES
Years ended December 31, 2016 and 2015

	2016	2015
UNRESTRICTED NET ASSETS		
REVENUE AND OTHER SUPPORT		
Contributions	\$ 520,208	\$ 305,320
Rent and other income	109,254	111,313
Fees for services	120,107	125,942
Interest income	49,766	50,027
Agency endowment return	5,851	(2,073)
Total unrestricted revenue and other support	805,186	590,529
EXPENSES		
Personnel	483,940	543,659
Professional services	120,153	136,303
Interest and financing	204,555	211,059
Facilities and equipment	260,662	246,185
Donations	210,720	504,672
Property development and management	13,291	6,955
Insurance	19,958	19,552
Office and operations	41,458	44,226
Travel and meetings	8,680	5,622
Public relations	3,497	5,911
Other	14,165	5,872
Total expenses before depreciation and amortization	1,381,079	1,730,016
Net assets released from restrictions	543,413	1,156,414
Change in net assets before depreciation and amortization	(32,480)	16,927
Depreciation and amortization	170,675	163,781
Change in unrestricted net assets	(203,155)	(146,854)
TEMPORARILY RESTRICTED NET ASSETS		
Contributions	291,131	537,694
Net assets released from restrictions	(543,413)	(1,156,414)
Change in temporarily restricted net assets	(252,282)	(618,720)
Change in net assets	(455,437)	(765,574)
Net assets - beginning of the year	4,953,223	5,718,797
Net assets - end of year	\$ 4,497,786	\$ 4,953,223

See accompanying notes.

CENTER FOR RESILIENT CITIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended December 31, 2016 and 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (455,437)	\$ (765,574)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation and amortization	170,675	163,781
Investment return retained in agency endowments	(5,851)	2,073
Contributions restricted for project development	(295,281)	(70,800)
Change in assets and liabilities		
Cash held in escrow	50,250	36,001
Prepaid expenses	8,588	(7,253)
Accounts receivable	5,314	(6,105)
Unconditional promises to give	183,779	195,602
Accounts payable	(78,729)	81,065
Accrued interest	68,875	78,648
Deferred revenue	5,451	-
Net cash flows from operating activities	(342,366)	(292,562)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net change in cash restricted for project development and land acquisition	194,477	302,755
Purchases of property and equipment	(9,914)	(14,060)
Purchases of intangible assets	(7,000)	(24,500)
Distributions from agency endowments	4,172	3,397
Transfers to agency endowments	(419)	(13,250)
Net cash flows from investing activities	181,316	254,342
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from lines of credit	50,000	86,913
Payments of lines of credit	(49,913)	(370,000)
Payments of notes payable	(47,937)	(45,415)
Proceeds from contributions restricted for project development	295,281	70,800
Net cash flows from financing activities	247,431	(257,702)
Net change in cash	86,381	(295,922)
Cash - beginning of year	112,221	408,143
Cash - end of year	\$ 198,602	\$ 112,221
SUPPLEMENTAL INFORMATION		
Cash paid for interest, net of capitalized amount	\$ 132,480	\$ 129,211

See accompanying notes.

CENTER FOR RESILIENT CITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2016 and 2015

Center for Resilient Cities, Inc. (Center) began operations in February 1996 as a non-stock, not-for-profit organization and was incorporated in May 1996 under the name Urban Open Space Foundation, Inc. In November 2007, the organization changed its name to Center for Resilient Cities, Inc. The Center builds robust and thriving urban communities that are healthy, just, economically viable and environmentally sound. Johnsons Park Development, LLC was formed in 2007 to develop three parcels of land, known as the Johnsons Park Initiative, in the Lindsay Heights neighborhood of Milwaukee, Wisconsin. These parcels, Alice's Garden, Brown Street Academy Schoolyard, and Johnsons Park, create 19 acres of high-quality, resilient, green space in Milwaukee's central city. Badger Resilience Research Center, LLC was formed in 2009 to develop the Resilience Research Center. This project, located on Madison, Wisconsin's south side, includes a neighborhood center, with productive urban agriculture and a project-based charter middle school, in a green-built, energy efficient building that will be submitted for a LEED NC Platinum rating. It will serve as a multigenerational neighborhood hub for healthy resilient living, socializing, training, and research.

In April of 2014, the Resilience Research Center, Inc. ("RRC", a non-profit corporation) was incorporated. On May 29, 2014, the RRC purchased all interests in the Badger Resilience Research Center, LLC ("BRRC") from the Center for \$5,798,000. Interests included land, a building, its contents, pledges of operating support, and other receivables. All activity related to the BRRC will henceforth flow through the RRC, and all contract related to such activity were transferred from the Center to the RRC. The Center will provide personnel and overhead services to the RRC at cost.

The building constructed by the BRRC qualified as a "qualified low-income community investment" and enabled the RRC to receive low-interest financing through a New Markets Tax Credits Investment. GWO Sub CDE 6, LLC loaned \$6,860,000 to the RRC (1.24731% note, collateralized by the Resilience Research Center, semi-annual payment of interest only through September 2020, and then principal and interest semi-annual payments from October 2020 through May 2049.) The loan requires the RRC to comply with certain covenants and to receive an audit.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of the Center and its wholly owned subsidiaries, RRC and Johnsons Park Development, LLC. All material intra-entity transactions have been eliminated.

Basis of Presentation

The Center reports information regarding its financial position and activities according to three classes of net assets:

Unrestricted net assets—Net assets that are not restricted by donors. Designations are voluntary board-approved segregations of unrestricted net assets for specific purposes, projects, or investments.

Temporarily restricted net assets—Net assets whose use has been limited by donor-imposed time restrictions or purpose restrictions.

Permanently restricted net assets—Net assets that have been restricted by donors to be maintained by the Center in perpetuity.

CENTER FOR RESILIENT CITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Promises to Give

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Property and Equipment

All acquisitions of property and equipment in excess of \$3,000 are capitalized. Purchased property and equipment are carried at cost. Donated property and equipment are carried at fair value at the date of donation. Property and equipment is depreciated using the straight-line method over the estimated useful lives of the assets.

Contributions

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Center.

Income Tax Status

The Center and RRC are both exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Johnsons Park Development, LLC is treated as a disregarded entity for federal income tax purposes and information pertaining its finances and operations is reported on the Center's federal exempt organization returns.

Estimates

Management uses estimates and assumptions in preparing consolidated financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could differ from those estimates.

CENTER FOR RESILIENT CITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expense Allocation

Directly identifiable expenses are charged to program services and supporting activities. Expenses related to more than one function are charged to program services and supporting activities on the basis of periodic time and expense studies. 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 Center. The Center's program services are as follows:

Greater Johnsons Park—The Greater Johnsons Park Initiative is a community-drive action plan to improve the health and safety of the Lindsay Heights neighborhood in Milwaukee, Wisconsin, via physical infrastructure improvements and programmatic outreach efforts. The plan encompasses a 19-acre site and includes four catalytic projects:

- (1) Infrastructure improvements to Johnsons Park (a 11.5-acre Milwaukee County park);
- (2) Infrastructure improvements and educational programming at Alice's Garden (a 2-acre community garden; completed in 2010);
- (3) Infrastructure improvements and schoolyard greening at Brown Street Academy (a Milwaukee Public School on a 5-acre site; completed in 2012); and
- (4) Implementation of the Lindsay Heights Neighborhood Health Alliance program. This program was handed off to Walnut Way Conservation Corp, a community partner, in April 2012.

Resilience Research Center—The Badger Rock Center project has changed a vacant lot and abandoned school building located on the south side of Madison, Wisconsin, into a neighborhood center with productive urban agriculture (Community GroundWorks) and a project-based charter middle school (Badger Rock Middle School). Phase 1 opened in the fall of 2012 and serves as a multi-generational hub for socializing, learning, training, research and healthy resilient living. In 2010, the land was purchased, and in 2011 feasibility, planning and construction began on the Badger Rock Center building. Urban gardening produced vegetables for the neighborhood in 2010 and 2011, as the project continued to develop. CRC provides the operations overview, operating the Badger Rock Neighborhood Center and working with community and not-for-profit partners including residents and small business entrepreneurs from the Badger Rock neighborhood, the Madison Metropolitan School District, Community GroundWorks (replacing Growing Power in August 2016), Madison School and Community Recreation, and the University of Wisconsin-Madison.

Other programs— In 2011, CRC developed a new program area focused on creating a healthy, sustainable, equitable and economically just food system. This work included providing technical and administrative support to the City of Milwaukee's Green Team for the Sustainability Planning process and has expanded to providing technical assistance to the Madison Food Policy Council. In 2012, CRC was joined in Milwaukee by School Food FOCUS as an in-house partner. FOCUS is a national collaborative that ignites change in the school food system by connecting districts and food businesses across the supply chain to put delicious, nutritious meals on kids' school plates. CRC was host to FOCUS's Midwest Regional Learning Lab from 2011-2014 and then to its research unit through 2016, when the partnership came to an end.

CENTER FOR RESILIENT CITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Date of Management’s Review

Management has evaluated subsequent events through March 31, 2017, the date which the consolidated financial statements were available to be issued.

NOTE 2—PROMISES TO GIVE

Unconditional promises to give at December 31, 2016 and 2015 consisted of the following:

	2016	2015
Greater Johnsons Park	\$ 197,950	\$ 267,950
Resilience Research Center	339,000	439,500
Other	16,571	45,920
Total unconditional promises to give	\$ 553,521	\$ 753,370
Receivable in less than one year	\$ 340,521	\$ 327,370
Receivable in one to five years	213,000	426,000
Total unconditional promises to give	553,521	753,370
Less discounts to net present value	8,192	24,262
Net unconditional promises to give	\$ 545,329	\$ 729,108

Promises to give receivable in more than one year are discounted at 4%.

NOTE 3—NOTE RECEIVABLE

The Center has a note receivable from GWOFF. The note requires semiannual interest payments at 1% interest. The note is due in one principal payment in September 2020.

NOTE 4—CONDITIONAL PROMISES TO GIVE

At December 31, 2015, the Center had a conditional promise to give from a donor for the Greater Johnsons Park program. This promise was conditioned on reporting by the Center that demonstrates progress in the program that is satisfactory to the donor. In 2016, the Center received \$220,000 from the donor as satisfactory program progress was made and reported to the donor.

NOTE 5—CONCENTRATION

For the years ending December 31, 2016 and 2015, 41% and 44% of the Center’s support and revenue came from one donor.

CENTER FOR RESILIENT CITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 6—LAND HELD IN TRUST

The James and Mildred Green Community Garden in Fitchburg is a community garden and natural area serving families of diverse ethnic and economic backgrounds.

NOTE 7—PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2016 and 2015 consisted of the following:

	2016	2015
Furniture and equipment	\$ 60,102	\$ 50,897
Building	7,649,118	7,648,409
Land	585,342	585,342
Land improvements	96,234	96,234
Less accumulated depreciation	(636,615)	(521,336)
Property and equipment - net	\$ 7,754,181	\$ 7,859,546

Depreciation expense for 2016 and 2015 was \$115,279 and \$115,968.

NOTE 8—INTANGIBLE ASSETS

Intangible assets at December 31, 2016 consisted of the following:

	2016	2015
Website redesign	\$ 31,500	\$ 24,500
Less accumulated amortization	(12,444)	(2,431)
Intangible assets - net	\$ 19,056	\$ 22,069

Amortization expense for 2016 and 2015 was \$10,013 and \$2,431.

NOTE 9—NOTES PAYABLE AND LINES OF CREDIT

The Center has a \$50,000 line of credit, which had an outstanding balance at December 31, 2016 and 2015 of \$50,000 and \$49,912. Advances on the credit line are payable in a single principal payment at maturity plus monthly interest payments. The credit line carries an interest rate of 1% over prime and shall not be less than 5%. The line matures on July 23, 2017 and is secured by a general business security agreement.

The Center has a \$1,750,000 line of credit from the Board President, which had a balance at December 31, 2016 and 2015 of \$1,450,000 and \$1,450,000. Advances on the credit line are payable in a single principal payment at maturity plus three periodic payments of interest. The credit line carries an interest rate of 4.75% and CRC is currently in the process of renewing the line of credit.

CENTER FOR RESILIENT CITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 9—NOTES PAYABLE AND LINES OF CREDIT (continued)

Notes payable at December 31, 2016 consisted of the following:

	2016	2015
1.25% notes payable to GWOFF Sub CDE 6, LLC., collateralized by a mortgage security agreement. Semi-annual interest only payments through September 2020, then semi-annual principal and interest payments through May 31, 2049.	\$ 6,860,000	\$ 6,860,000
5.5% note payable to Monona State Bank, collateralized by a general security agreement. Monthly payments of \$4,540 including interest, due May 2021, paid May 29, 2021.	487,400	513,819
5.5% note payable to Forward Community Investments collateralized by a general security agreement. Monthly payments of \$2,775 including interest due May 2021, paid May 29, 2021.	201,859	223,377
Notes payable	\$ 7,549,259	\$ 7,597,196

Interest expense was \$197,655 and \$207,859 for 2016 and 2015.

Future principal payments on the notes payable are as follows for the years ending December 31:

2017		\$ 51,242
2018		54,133
2019		57,186
2020		60,412
2021		7,326,286
Total		\$ 7,549,259

NOTE 10—NET ASSETS

Temporarily restricted net assets are available for the following purposes or periods:

	2016	2015
Greater Johnsons Park	\$ 211,771	\$ 334,000
Food Program	7,117	22,688
Resilience Research Center - Operations	288,384	285,140
Resilience Research Center - Debt service	228,516	344,732
Neighborhood Survey	-	25,000
Other	31,153	7,663
Temporarily restricted net assets	\$ 766,941	\$ 1,019,223

Permanently restricted net assets at December 31, 2016 and 2015 consist of the James and Mildred Green Community Garden land held in trust.

CENTER FOR RESILIENT CITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 11—AGENCY ENDOWMENTS

The Center has established agency endowment funds at Madison Community Foundation (MCF). The Center recognizes the fair value of contributions as support when received and recognizes transfers to the agency endowments as decreases in cash and increases in the asset “beneficial interest in assets held by Madison Community Foundation.” The Center acknowledges that, by virtue of the governing instrument with MCF, the Board of Governors of MCF has the authority to modify any restriction or condition on the distribution of assets from the funds if, in the reasonable judgment of the Board of Governors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served by MCF. MCF maintains legal ownership of the funds.

The 2016 and 2015 activity consisted of the following:

	<u>2016</u>	<u>2015</u>
Beginning balance	\$ 107,346	\$ 99,566
Transfers to agency endowments	419	13,250
Distributions	(4,172)	(3,397)
Agency endowment return	<u>5,851</u>	<u>(2,073)</u>
Ending balance	<u>\$ 109,444</u>	<u>\$ 107,346</u>

NOTE 12—FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis at December 31, 2016 and 2015 are as follows:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Beneficial interest in assets held by MCF - 2016	<u>\$ 109,444</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,444</u>
Beneficial interest in assets held by MCF - 2015	<u>\$ 107,346</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 107,346</u>

The Center’s beneficial interest in assets held by MCF represents an agreement between the Center and MCF in which the Center transfers assets to MCF in exchange for future distributions. The beneficial interest is not actively traded and significant other observable inputs are not available. Thus, the fair value of the beneficial interest is measured at the proportional share of the underlying assets as reported to the Center by MCF. Little information about those assets is released publicly.

The estimated value does not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined.

CENTER FOR RESILIENT CITIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 13—FUNCTIONAL EXPENSES

Functional expenses at December 31, 2016 and 2015 are as follows:

	<u>2016</u>	<u>2015</u>
Program services		
Greater Johnsons Park	\$ 223,809	\$ 606,984
Resilience Research Center	718,454	729,215
Other programs	<u>287,332</u>	<u>194,761</u>
Total program services	1,229,595	1,530,960
Supporting activities		
Management and general	251,613	269,894
Fundraising	<u>70,546</u>	<u>92,943</u>
Total expenses	<u>\$ 1,551,754</u>	<u>\$ 1,893,797</u>

NOTE 14—LEASING OF SPACE AT RESILIENCE RESEARCH CENTER

The Center leases a portion of the space at the Resilience Research Center to an entity with a similar mission. The lease expires July 2017 and monthly lease payments are \$5,450. Total lease revenue for 2016 and 2015 was \$18,867 and \$32,804. Future minimum payments, including lease and operational support payments related to the occupation of the space, to be received for the years ending December 31, 2017 are \$38,154.

NOTE 15—OPERATING LEASES

The Center leases space for its administrative offices and program services under two operating leases. The lease for the Madison office expired in December 2016 and the lease for the Milwaukee office expires in January 2018. Total lease expense for 2016 and 2015 was \$43,675 and \$33,812. Future minimum lease payments for the years ending December 31, 2017 and 2018 are \$20,031 and \$1,673.

NOTE 16—RETIREMENT PLAN

The Center contributes to a Simple IRA retirement plan in which all full-time employees are eligible to participate. The Center matches employee contributions on a dollar-for-dollar basis up to 3% of each employee's salary. Retirement expense for 2016 and 2015 was \$9,900 and \$10,258.

NOTE 17—DONATED SERVICES

Donated legal services for 2015 of \$9,618 were included as contributions and professional fees on the consolidated financial statements for the Resilience Research Center. There were no donated services for 2016.

CENTER FOR RESILIENT CITIES, INC.
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
December 31, 2016

	Center for Resilient Cities, Inc.	Resilience Research Center, Inc.	Eliminating Entries	Total
ASSETS				
Cash	\$ 198,602	\$ -	\$ -	\$ 198,602
Prepaid expenses	534	-	-	534
Accounts receivable	144,351	26,628	(170,178)	801
Unconditional promises to give - net	540,329	5,000	-	545,329
Cash held in escrow	-	184,800	-	184,800
Note receivable	4,956,000	-	-	4,956,000
Closing costs - net	-	170,185	-	170,185
Property and equipment - net	-	5,545,454	2,208,727	7,754,181
Intangible assets - net	-	19,056	-	19,056
Beneficial interest in assets held by Madison Community Foundation	109,444	-	-	109,444
Land held in trust	88,200	-	-	88,200
Total assets	\$ 6,037,460	\$ 5,951,123	\$ 2,038,549	\$ 14,027,132
LIABILITIES				
Accounts payable	\$ 28,662	\$ 88,012	\$ (88,184)	\$ 28,490
Accrued interest	446,146	-	-	446,146
Deferred revenue	-	5,451	-	5,451
Lines of credit	1,500,000	79,606	(79,606)	1,500,000
Notes payable	689,259	6,860,000	-	7,549,259
Total liabilities	2,664,067	7,033,069	(167,790)	9,529,346
NET ASSETS				
Unrestricted	2,549,405	(1,113,099)	2,206,339	3,642,645
Temporarily restricted	735,788	31,153	-	766,941
Permanently restricted	88,200	-	-	88,200
Total net assets	3,373,393	(1,081,946)	2,206,339	4,497,786
Total liabilities and net assets	\$ 6,037,460	\$ 5,951,123	\$ 2,038,549	\$ 14,027,132

CENTER FOR RESILIENT CITIES, INC.
CONSOLIDATING SCHEDULE OF ACTIVITIES
Year ended December 31, 2016

	Center for Resilient Cities, Inc.	Resilience Research Center, Inc.	Eliminating Entries	Total
UNRESTRICTED NET ASSETS				
REVENUE AND OTHER SUPPORT				
Contributions	\$ 362,056	\$ 252,813	\$ (94,661)	\$ 520,208
Rent and other income	28,136	83,506	(2,388)	109,254
Fees for services	120,107	-	-	120,107
Interest income	49,747	19	-	49,766
Agency endowment return	5,851	-	-	5,851
Management fees	202,283	-	(202,283)	-
Total unrestricted revenue and other support	768,180	336,338	(299,332)	805,186
EXPENSES				
Personnel	483,940	179,195	(179,195)	483,940
Professional services	75,179	44,974	-	120,153
Interest and financing	112,090	92,465	-	204,555
Facilities and equipment	59,847	206,995	(6,180)	260,662
Donations	305,381	-	(94,661)	210,720
Property development and management	-	13,291	-	13,291
Insurance	18,892	14,374	(13,308)	19,958
Office and operations	21,944	19,514	-	41,458
Travel and meetings	6,687	1,993	-	8,680
Public relations	1,943	1,554	-	3,497
Other	9,642	8,123	(3,600)	14,165
Total expenses before depreciation and amortization	1,095,545	582,478	(296,944)	1,381,079
Net assets released from restrictions	517,342	26,071	-	543,413
Change in unrestricted net assets before depreciation and amortization	189,977	(220,069)	(2,388)	(32,480)
Depreciation and amortization	-	170,675	-	170,675
Change in unrestricted net assets	189,977	(390,744)	(2,388)	(203,155)
TEMPORARILY RESTRICTED NET ASSETS				
Contributions	241,569	49,562	-	291,131
Net assets released from restrictions	(517,342)	(26,071)	-	(543,413)
Change in temporarily restricted net assets	(275,773)	23,491	-	(252,282)
Change in net assets	(85,796)	(367,253)	(2,388)	(455,437)
Net assets - beginning of the year	3,459,189	(714,693)	2,208,727	4,953,223
Net assets - end of year	\$ 3,373,393	\$ (1,081,946)	\$ 2,206,339	\$ 4,497,786