



**FINANCIAL STATEMENTS**

**For the Year Ended December 31, 2017**

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# LENTS NEIGHBORHOOD ASSOCIATION

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**LENTS NEIGHBORHOOD ASSOCIATION**

**Statements of Financial Position**

<b>December 31,</b>	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
Cash	\$ 11,299	\$ 12,885
Property and equipment	<u>2,260</u>	<u>1,000</u>
<b>Total assets</b>	<b><u>\$ 13,559</u></b>	<b><u>\$ 13,885</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities:</b>		
Accounts payable and accrued expenses	<u>\$ 66</u>	<u>\$ 232</u>
<b>Total liabilities</b>	<b>66</b>	<b>232</b>
<b>Unrestricted Net assets:</b>		
Undesignated	11,233	12,653
Net investment in property & equipment	<u>2,260</u>	<u>1,000</u>
<b>Total unrestricted net assets</b>	<b><u>13,493</u></b>	<b><u>13,653</u></b>
<b>Total liabilities and unrestricted net assets</b>	<b><u>\$ 13,559</u></b>	<b><u>\$ 13,885</u></b>

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*The accompanying notes are an integral part of the financial statements.*

LENTS NEIGHBORHOOD ASSOCIATION

Statements of Activities

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Years Ended December 31, 2017 and 2016

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	Total	
	2017	2016
<b>Operating support and revenue:</b>		
Grants	\$ 1,567	\$ 1,725
Contributions	300	3,174
Interest income	5	6
Net assets released from restrictions	-	-
	<hr/>	<hr/>
<b>Total operating support and revenue</b>	<b>1,872</b>	<b>4,905</b>
<b>Expenses:</b>		
Program services	1,815	2,936
General and administrative	217	341
	<hr/>	<hr/>
<b>Total expenses</b>	<b>2,032</b>	<b>3,277</b>
<b>Increase (decrease) in net assets</b>	<b>(160)</b>	<b>1,628</b>
Net assets, beginning of year	13,654	12,026
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<b>Net assets, end of year</b>	<b>\$ 13,494</b>	<b>\$ 13,654</b>

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*The accompanying notes are an integral part of the financial statements.*

**LENTS NEIGHBORHOOD ASSOCIATION**

**Statements of Cash Flows**

<b>Years Ended December 31,</b>	<b>2017</b>	<b>2016</b>
<b>Cash flows from operating activities:</b>		
(Decrease) Increase in net assets	\$ (160)	\$ 1,628
Adjustments to reconcile (decrease) increase in net assets to net cash used by operating activities:		
Net changes in:		
Accounts payable and accrued expenses	<u>(166)</u>	<u>232</u>
<b>Net cash (used) provided by operating activities</b>	<b>(326)</b>	<b>1,860</b>
<b>Cash flows from investing activities:</b>		
Additions to property and equipment	<u>(1,260)</u>	<u>(1,000)</u>
<b>Net cash (used) by investing activities</b>	<b>(1,260)</b>	<b>(1,000)</b>
<b>Net (decrease) increase in cash</b>	<b>(1,586)</b>	<b>860</b>
Cash, beginning of year	<u>12,885</u>	<u>12,026</u>
<b>Cash, end of year</b>	<b><u>\$ 11,299</u></b>	<b><u>\$ 12,885</u></b>

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*The accompanying notes are an integral part of the financial statements.*

**LENTS NEIGHBORHOOD ASSOCIATION**

**Statement of Functional Expenses**

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**Year Ended December 31, 2017 (With Comparative Totals for 2016)**

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	Program Service	General and Administrative	Total	
			2017	2016
Lents monument utilities	\$ 806	\$ -	\$ 806	\$ 293
Grants & donations	500	-	500	-
Town hall / special events	308	-	308	-
Website	-	147	147	291
Postage	105	-	105	-
Taxes	-	70	70	50
Printing	66	-	66	100
Lents Kiosk	30	-	30	-
Street Fair	-	-	-	1,771
Insurance	-	-	-	441
Meals & entertainment	-	-	-	135
Miscellaneous	-	-	-	134
Neighborhood cleanup	-	-	-	62
<b>Total expenses</b>	<b>\$ 1,815</b>	<b>\$ 217</b>	<b>\$ 2,032</b>	<b>\$ 3,277</b>

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*The accompanying notes are an integral part of the financial statements.*

## 1. Organization and Summary of Significant Accounting Policies

**Organization** - The Lents Neighborhood Association Inc. of Portland, Oregon (the Association) is a non-profit corporation, which has been organized to enhance the livability of the Lents neighborhood by establishing and maintaining an open line of communication and liaison among the neighborhood, government agencies and other neighborhoods as well as provide an open process by which all members of the neighborhood may involve themselves in the affairs of the neighborhood.

**Basis of Accounting** - 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 (GAAP). Net assets and all balances and transactions are presented based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Association and changes therein are classified and reported as follows:

*Unrestricted net assets* - Net assets not subject to donor-imposed stipulations.

*Temporarily restricted net assets* - Net assets subject to donor-imposed stipulations that will be met either by actions of the Association and/or the passage of time. Expenses are reported as decreases in unrestricted net assets. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions. There were no temporarily restricted net assets in 2017 or 2016.

**Cash** - The Association maintains its cash balance with a high credit quality financial institution. Balances at December 31, 2017 and 2016 did not exceed limits insured by the National Credit Union Association (NCUA). The Association has not experienced any losses in such accounts and does not believe the accounts are exposed to credit risk.

**Property and Equipment & Intangible Assets** - The Association follows the practice of capitalizing expenditures for assets in excess of \$200.

**Grant Revenue** - Government grant revenues are recognized based on the criteria outlined in the specific grant or contract agreement. If revenues are earned in advance of cash being received, a receivable is recorded. Cash received in advance of being earned is treated as deferred revenue.

**Contributions** - Contributions are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

**In-Kind Contributions** - Donated equipment or supplies is recorded at estimated fair value at the date of donation. Donations of services are recorded at estimated fair value when those services create or enhance non-financial assets or require specialized skills provided by individuals possessing those skills and would typically be purchased if not provided by donation. There were no in-kind contributions recognized in 2017 or 2016.

## 1. Organization and Summary of Significant Accounting Policies (continued)

**Receivables** - Receivables are recognized as related revenues are earned. The Association did not write-off any uncollectible receivables in 2016 or 2017. The Association does not assess finance charges on past due accounts.

**Restrictions** - All contributions and grants are considered available for unrestricted use unless explicit donor stipulations specify how the funds must be used. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**Income Taxes** - The Association is exempt from Federal and state income taxes under Section 501(c)(4) of the Internal Revenue Code (IRC) and similar state provisions as a social welfare organization. As such, contributions made directly to the Association are not deductible as charitable contributions for income tax purposes; however, contributions made to East Portland Neighbors, a 501(c)(3) (see related party transactions), designated for the Association do qualify as tax deductible charitable contributions. The Association files informational returns that are generally subject to examination by Federal or state tax authorities for a period of three years from the filing of the return. There are currently no audits in progress for any tax periods. The Association is not classified as a private foundation.

**Concentrations** - All of the Association's members live within the geographically defined boundaries of the Lents neighborhood. A significant portion of the Association's revenues are generated from grants and contracts with local government agencies. Approximately 84 percent and 35 percent of total revenues were provided by EPNO (see related parties) for the years ended December 31, 2017 and 2016, respectively.

**Functional Allocation of Expenses** - Expenditures have been allocated as either program service or general and administrative. There were no fundraising expenditures to report.

**Subsequent Events** - Subsequent events have been evaluated through June 23, 2018, the date the financial statements were available to be issued.

## 2. Related Parties

The Association is recognized by the City's Office of Neighborhood Involvement (ONI) as a Neighborhood Association. As such the Association adheres to the City of Portland's regulations for Neighborhood Associations, Business District Associations and District Coalitions. The East Portland Neighborhood Office (EPNO) is one of seven ONI offices that provides community building and civic engagement support. EPNO directly supports and funds the Association through grants awarded through their neighborhood allotment program. Total grants received from EPNO totaled \$1,567 and \$1,725 during the years ended December 31, 2017 and 2016, respectively.

## 2. Related Parties (continued)

The Association has a Membership and Fiscal Sponsorship Agreement with East Portland Neighbors (EPN), an Oregon membership nonprofit public benefit corporation, qualified as exempt from federal income tax as a 501(c)(3) organization. Under the agreement, EPN provides services such as managing the receipt of tax deductible charitable contributions to the Association, disbursement of donated contributions to the Association, and providing insurance coverage for the Association's activities and events. EPN funds are recognized as revenue as they are received. EPN funds held on behalf of the Association were as follows for the years ended December 31, 2017 and 2016, respectively:

	<u>2017</u>	<u>2016</u>
Lents Summer Events Fund	\$2,962	\$2,694
Lil' Lentals	<u>460</u>	<u>860</u>
Total	\$3,422	\$3,554

## 3. Property and Equipment

The Association acquired the New Copper Penny Sign in an attempt to preserve a historic neighborhood landmark. Capitalized costs include transportation. The Sign is not being depreciated.

## 4. Intangible Assets

The Association acquired architectural plans for a gazebo which has been capitalized at cost as an intangible asset with an indefinite life and is therefore not being amortized.

The membership list is the property of the Association and is not subject to public record requests.

## 4. Functional Allocation of Disbursements

Program services are composed primarily of board and general membership meetings, committee meetings, Lents Monument utilities, neighborhood cleanups, grants and sponsorships related to the Lents Street Fair, as well as operation of a neighborhood kiosk.

General and administrative activities are composed of taxes, registration fees and website costs.