

INNER-CITY MUSLIM ACTION NETWORK
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2016
(With comparative summarized information for
the year ended December 31, 2015)

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Independent Auditor's Report

The Board of Directors
Inner-City Muslim Action Network
2744 West 63rd Street
Chicago, Illinois 60629

I have audited the accompanying financial statements of the Inner-City Muslim Action Network (IMAN), an Illinois nonprofit organization, which comprise of the statement of financial position as of December 31, 2016 and the related statements of activities, functional expenses, 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of IMAN as of December 31, 2016 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.

Report on Prior Year Summarized Comparative Information

The prior year summarized comparative information has been derived from IMAN's December 31, 2015 financial statements which were audited by me. My report dated May 3, 2016 expressed an unqualified opinion on those financial statements.

James M. Babic, PC

April 12, 2017

INNER-CITY MUSLIM ACTION NETWORK
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2016
(With summarized comparative totals for December 31, 2015)

	As of December 31, 2016			Total	Totals as of Dec. 31, 2015
	Unrestricted	Temporarily Restricted	Permanently Restricted		
<u>ASSETS</u>					
CURRENT ASSETS					
Cash (Note 5)	\$ 211,854	\$ 413,889	\$ -	\$ 625,743	\$ 295,739
Donor advised fund (Note 6)	99,714	-	-	99,714	44,826
Grants and contracts receivable	23,750	27,500	-	51,250	409,200
Pledges receivable within one year (Note 8)	9,095	-	-	9,095	35,350
Patient fees receivable	4,569	-	-	4,569	-
Other receivables	6,940	-	-	6,940	8,495
Real estate escrow	864	-	-	864	-
Prepaid expenses and other	26,110	-	-	26,110	17,751
Total current assets	<u>382,896</u>	<u>441,389</u>	<u>-</u>	<u>824,285</u>	<u>811,361</u>
PROPERTY AND EQUIPMENT, net of accumulated depreciation (Note 10)	<u>1,782,389</u>	<u>-</u>	<u>-</u>	<u>1,782,389</u>	<u>1,770,644</u>
OTHER ASSETS					
Investments, permanently restricted (Note 7)	-	3,986	50,000	53,986	49,376
Real estate tax refunds receivable (Note 9)	48,392	-	-	48,392	52,948
Damage claim receivable (Note 9)	35,822	-	-	35,822	35,822
Utility deposits	3,121	-	-	3,121	-
Total other assets	<u>87,335</u>	<u>3,986</u>	<u>50,000</u>	<u>141,321</u>	<u>138,146</u>
Total assets	<u>\$ 2,252,620</u>	<u>\$ 445,375</u>	<u>\$ 50,000</u>	<u>\$ 2,747,995</u>	<u>\$ 2,720,151</u>
<u>LIABILITIES AND NET ASSETS</u>					
CURRENT LIABILITIES					
Accounts payable and accrued expenses	\$ 97,563	\$ -	\$ -	\$ 97,563	\$ 115,499
Real estate escrow deficit	-	-	-	-	2,983
Funds held as fiscal agent (Note 11)	2,756	-	-	2,756	3,000
Current maturities of long-term debt (Note 13)	15,502	-	-	15,502	18,915
Total current liabilities	<u>115,821</u>	<u>-</u>	<u>-</u>	<u>115,821</u>	<u>140,397</u>
LONG-TERM DEBT, net of current maturities					
Compliance loans (Note 12)	172,361	-	-	172,361	289,847
Capital lease obligation (Note 13)	275,048	-	-	275,048	274,110
Total long-term debt	<u>447,409</u>	<u>-</u>	<u>-</u>	<u>447,409</u>	<u>563,957</u>
Total liabilities	<u>563,230</u>	<u>-</u>	<u>-</u>	<u>563,230</u>	<u>704,354</u>
NET ASSETS	<u>1,689,390</u>	<u>445,375</u>	<u>50,000</u>	<u>2,184,765</u>	<u>2,015,797</u>
Total liabilities and net assets	<u>\$ 2,252,620</u>	<u>\$ 445,375</u>	<u>\$ 50,000</u>	<u>\$ 2,747,995</u>	<u>\$ 2,720,151</u>

The accompanying notes are an integral part of these financial statements

INNER-CITY MUSLIM ACTION NETWORK
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2016
(With summarized comparative totals for the year ended December 31, 2015)

	Year Ended December 31, 2016				Total for the Year Ended Ended Dec. 31, 2015
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	
PUBLIC SUPPORT AND REVENUES:					
Public support:					
Grants and contributions (Note 14)	\$ 3,423,818	\$ 77,500	\$ -	\$ 3,501,318	\$ 2,867,166
Net assets released from restrictions upon satisfaction of program requirements	223,000	(223,000)	-	-	-
Revenues:					
Contract fees and awards (Note 14)	-	-	-	-	15,500
Forgiveness of debt, compliance loans (Note 12)	157,286	-	-	157,286	11,107
Event fees, admissions, and revenues	13,835	-	-	13,835	1,482
Health clinic patient fees	31,299	-	-	31,299	-
Rental income	12,038	-	-	12,038	12,145
Investment income	-	2,163	-	2,163	2,864
Unrealized gains (losses) on investments	-	1,823	624	2,447	(3,488)
Gains (losses), donor advised fund	(81)	-	-	(81)	(8)
Loss on sale of real property	(22,813)	-	-	(22,813)	-
Expense reimbursements and other	22,364	-	-	22,364	68,003
Total revenues	213,928	3,986	624	218,538	107,605
Total public support and revenues	3,860,746	(141,514)	624	3,719,856	2,974,771
EXPENSES:					
Program services:					
Health clinic	770,138	-	-	770,138	831,117
Green reentry	273,390	-	-	273,390	322,909
Arts and culture	639,472	-	-	639,472	317,295
Atlanta	148,867	-	-	148,867	-
UCCRO	320,184	-	-	320,184	154,829
Youth and organizing	843,264	-	-	843,264	468,527
Total program services	2,995,315	-	-	2,995,315	2,094,677
Supporting services:					
Management and general	325,603	-	-	325,603	198,045
Resource development	229,970	-	-	229,970	140,535
Total supporting services	555,573	-	-	555,573	338,580
Total program and supporting services expenses	3,550,888	-	-	3,550,888	2,433,257
NET INCREASE (DECREASE) IN NET ASSETS	309,858	(141,514)	624	168,968	541,514
NET ASSETS					
Beginning of the year	1,379,532	586,889	49,376	2,015,797	1,474,283
End of the year	\$ 1,689,390	\$ 445,375	\$ 50,000	\$ 2,184,765	\$ 2,015,797

The accompanying notes are an integral part of these financial statements

INNER-CITY MUSLIM ACTION NETWORK
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016

(With summarized comparative totals for the year ended December 31, 2015)

	PROGRAM SERVICES							SUPPORTING SERVICES			GRAND TOTALS	
	Health Clinic	Green Reentry	Arts & Culture	Atlanta	UCCRO	Youth and Organizing	Total	Management and General	Resource Develop- ment	Total	2016	2015
Salaries and wages	\$ 411,319	\$ 142,283	\$ 143,586	\$ 83,289	\$ 182,636	\$ 232,640	\$ 1,195,753	\$ 62,376	\$ 113,762	\$ 176,138	\$ 1,371,891	\$ 978,432
Staff health insurance benefits	12,643	4,374	4,414	-	5,614	7,151	34,196	1,917	3,770	5,687	39,883	40,895
Payroll taxes	33,017	11,421	11,526	6,686	14,661	18,674	95,985	4,855	3,161	8,016	104,001	91,637
Contracted services and stipends	24,940	34,930	210,583	11,025	-	8,245	289,723	14,723	2,840	17,563	307,286	328,709
Payments to subcontractors	-	-	-	-	-	-	-	-	-	-	-	37,000
Accounting and audit	7,981	2,761	4,786	-	3,544	4,687	23,759	14,656	2,207	16,863	40,622	37,897
Consulting and other professional fees	131,246	522	74,960	-	-	522	207,250	10,977	1,565	12,542	219,792	97,843
Scholarships and assistance for individuals	-	-	-	-	-	-	-	2,108	-	2,108	2,108	650
Occupancy (Note 17)	25,891	40,581	3,629	6,000	4,500	4,191	84,792	86,037	8,313	94,350	179,142	142,418
Equipment rent, repairs and maintenance	1,049	1,114	589	3,181	-	1,659	7,592	13,611	704	14,315	21,907	20,065
Program-related expenditures	64,173	13,726	122,976	9,750	58,275	461,918	730,818	15,848	7,942	23,790	754,608	270,795
General liability and officers insurance	5,452	1,952	3,328	-	-	1,398	12,130	27,654	930	28,584	40,714	27,886
Telecommunications	1,101	727	232	2,739	12,352	3,079	20,230	15,700	733	16,433	36,663	19,749
Postage and courier	382	36	106	-	-	36	560	1,461	263	1,724	2,284	2,891
Printing and duplicating	140	1,368	2,890	-	3,634	14,813	22,845	6,700	5,813	12,513	35,358	23,324
Travel	84	466	20,398	13,771	6,810	30,375	71,904	10,777	5,473	16,250	88,154	37,632
Community relations	360	-	1,863	-	-	4,952	7,175	5,710	6,731	12,441	19,616	24,533
Supplies	13,405	1,219	14,886	309	3,930	1,971	35,720	10,505	1,413	11,918	47,638	25,067
Training, conferences, seminars	459	250	-	500	100	-	1,309	1,145	1,900	3,045	4,354	31,560
Meeting expenses	-	702	2,956	9,936	9,989	9,231	32,814	3,944	33,143	37,087	69,901	23,216
Depreciation and amortization	23,590	11,559	11,938	-	10,453	32,399	89,939	9,742	11,901	21,643	111,582	107,503
Loss on uncollectible receivables	-	-	-	-	-	-	-	-	-	-	-	9,390
Miscellaneous	12,906	3,399	3,826	1,681	3,686	5,323	30,821	5,157	17,406	22,563	53,384	54,165
Total functional expenses	\$ 770,138	\$ 273,390	\$ 639,472	\$ 148,867	\$ 320,184	\$ 843,264	\$ 2,995,315	\$ 325,603	\$ 229,970	\$ 555,573	\$ 3,550,888	\$ 2,433,257

The accompanying notes are an integral part of these financial statements

INNER-CITY MUSLIM ACTION NETWORK
STATEMENT OF CASH FLOWS

	Year Ended December 31,	
	2016	2015
CASH FLOW FROM OPERATING ACTIVITIES:		
Net increase (decrease) in net assets	\$ 168,968	\$ 541,514
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities:		
Depreciation	111,582	107,503
Unrealized (gain) loss on investments	(2,447)	624
Loss on sale of real property	22,813	-
(Increase) decrease in:		
Grants and contracts receivable	357,950	(220,898)
Pledges receivable	26,255	18,950
Patient fees receivable	(4,569)	-
Other receivables	1,555	15,794
Real estate escrow	(3,847)	(423)
Prepaid expenses and other	(8,359)	(3,176)
Real estate tax refunds receivable	4,556	(52,948)
Damage claim receivable	-	(35,822)
Utility deposits	(3,121)	-
Increase (decrease) in:		
Accounts payable and accrued expenses	(17,936)	(104,443)
Grant advances	-	(45,178)
Funds held as fiscal agent	(244)	3,000
NET CASH PROVIDED BY OPERATING ACTIVITIES	653,156	224,497
CASH FLOW PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Net disbursements from (deposits to) donor advised fund	(54,888)	38,866
Proceeds from sale of real property	124,037	-
Purchase of investment securities	(2,163)	(50,000)
Purchases of office equipment, furniture, and fixtures	-	(23,481)
Purchases of building and building improvements	(270,177)	(236,756)
Net cash used in investing activities	(203,191)	(271,371)
CASH FLOW PROVIDED BY (USED IN) IN FINANCING ACTIVITIES		
Principal payments made on capital lease obligation	(2,475)	(20,597)
Forgiveness of debt, compliance loans	(117,486)	(11,107)
Payments of note payable	-	(15,175)
Net cash used in financing activities	(119,961)	(46,879)
NET (INCREASE) DECREASE IN CASH	330,004	(93,753)
CASH, BEGINNING OF THE YEAR	295,739	389,492
CASH, END OF THE YEAR	\$ 625,743	\$ 295,739
SUPPLEMENTARY INFORMATION:		
Building purchase financed directly through compliance loan	\$ 39,800	\$ -

The accompanying notes are an integral part of these financial statements

INNER-CITY MUSLIM ACTION NETWORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2016

NOTE 1 - HISTORY AND NATURE OF THE ORGANIZATION

The Inner-City Muslim Action Network (IMAN) was incorporated under the State of Illinois General Not-For-Profit Corporation Act of 1987 in 1997. IMAN's mission is to foster health, wellness, and healing in the inner-city by organizing for social change, cultivating the arts, and operating a holistic center.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and presentation

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

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

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

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

Donor-imposed restrictions

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

Income taxes

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

Use of estimates

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

Expense allocation

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

Donated Services

During the years 2016 and 2015 IMAN benefited from many hours of donated services from several individuals that helped IMAN meet program objectives. These donated services are not reported as contributions in the financial statements because they do not meet the criteria of skilled services required to be reported under FASB ASC 958-605-25-16.

(Continued on the following page)

INNER-CITY MUSLIM ACTION NETWORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent Events

IMAN has evaluated subsequent events through April 12, 2017, the date financial statements were available to be issued. No material transactions occurred through this date that are required to be reported in this audit report.

NOTE 3 - PRIOR YEAR SUMMARIZED INFORMATION

The financial statements include certain prior-year summarized information presented for comparative purposes. Such comparative information is in total but not by net asset class and, therefore, does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with IMAN's financial statements for the year ended December 31, 2015, from which the summarized information was derived.

NOTE 4 - TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Temporarily restricted net assets as of December 31, 2016 are available for the following programs:

<u>Program</u>	<u>Amount</u>
General operations, time restricted grant	\$ 236,111
UCCRO	127,778
Green re-entry	26,486
Health clinic	55,000
Total temporarily restricted net assets	<u>\$ 445,375</u>

Permanently restricted net assets as of December 31, 2016, and related investment earnings thereon, are available for the following program:

<u>Program</u>	<u>Amount</u>
Green Re-Entry	<u>\$ 50,000</u>

NOTE 5 - CONCENTRATION OF CREDIT RISK FOR CASH HELD IN BANK

At various times during the year, IMAN's bank balances exceeded the federally insured limit. As of December 31, 2016, IMAN's uninsured cash balance was \$389,142. IMAN has not experienced a loss, and believes it is not exposed to any significant risk of loss, on such bank balances.

NOTE 6 - DONOR ADVISED FUND

IMAN established donor advised funds with the Chicago Community Foundation (CCF) whereby CCF manages assets of the fund. Authorization for disbursements from the fund rests with an IMAN Board member and IMAN's Executive Director and Senior Director. During 2016 and 2015 all disbursements from the funds went to IMAN.

The value of the funds presented on the statement of financial position as of December 31, 2016 and December 31, 2015 is the fair market value reported by CCF.

NOTE 7 - INVESTMENTS

Investments consists of a mutual fund that is presented on the statement of financial position at fair market value.

INNER-CITY MUSLIM ACTION NETWORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2016

NOTE 8 - PLEDGES RECEIVABLE

Pledges receivable as of December 31, 2016 and December 31, 2015 consists of pledges from individuals. These pledges are presented on the statement of financial position at face value, which equals or nearly equals net present value, net of an allowance for uncollectible pledges of \$29,100 and \$ZERO as of December 31, 2016 and December 31, 2015, respectively.

NOTE 9 - REAL ESTATE TAX REFUNDS AND DAMAGE CLAIM RECEIVABLE

IMAN has applied for the refund of real estate taxes paid on certain properties prior to receiving a real estate tax exemption on those properties. Collection of these refunds is dependent upon approval of the Cook County Treasurer's Office.

In 2015 an automobile accident caused damage to one of IMAN's buildings. The cost to repair those damages was \$35,822. As of December 31, 2016, IMAN was in the process of initiating a lawsuit against the party responsible for the damage.

NOTE 10 - PROPERTY AND EQUIPMENT, net of accumulated depreciation

Purchased capitalizable property and equipment is recorded at cost. Donated capitalizable property and equipment is recorded at the estimated fair market value on the date received. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful life for real property, leasehold improvements, office equipment, and vehicles is 31.5 or 27.5 years, 10 years, 3-5 years, and 3 years, respectively. Property and equipment and related accumulated depreciation as of December 31, 2016 and 2015 were as follows:

	12/31/16	12/31/15
Land, buildings, and building improvements (See Note 10A below) . . .	\$ 2,081,197	\$ 2,081,197
Building renovations in-progress	290,785	167,458
Office furniture, fixtures, and equipment (See Note 10A below)	145,008	145,008
Vehicles	17,300	17,300
Total cost of purchased capitalizable property and equipment	2,534,290	2,410,963
Less accumulated depreciation	(751,901)	(640,319)
Property and equipment, net of accumulated depreciation	\$ 1,782,389	\$ 1,770,644

Note 10A

The cash purchase price of the real property and office furniture and fixtures acquired through a capitalized lease, \$818,168 and \$22,635 respectively (See Note 15), is included on the statement of financial position, in the line item of property and equipment, net of \$287,671 and \$261,277 of accumulated amortization as of December 31, 2016 and 2015, respectively.

NOTE 11 - FUNDS HELD AS FISCAL AGENT

IMAN acted as the fiscal agent for Solidarity Studios during the years 2016 and 2015. Accordingly, revenues and expenses related to Solidarity Studios are not included in IMAN's statement of activities and net assets.

INNER-CITY MUSLIM ACTION NETWORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2016

NOTE 12 - COMPLIANCE LOANS

Compliance loan that originated in April, 2011 with the Redevelopment Corporation Neighborhood Housing Service (RCNHS) secured by real property located at 6053 South Washtenaw, Chicago, IL. The original loan amount was \$55,285. The loan is non-interest bearing if not in default and has a five-year compliance period that ends in April, 2016. This debt is forgiven ratably over the five-year compliance period. Proceeds from this note were used to fund renovations to the secured property which is utilized by IMAN for its reentry program.

	12/31/2016	12/31/2015
Outstanding balance, beginning of the year	\$ 11,007	\$ 22,114
Debt forgiven	(11,007)	(11,107)
Outstanding balance, end of year	\$ -	\$ 11,007

Compliance loan with the Redevelopment Corporation Neighborhood Housing Service (RCNHS) that originated in 2013 and is secured by real property located at 6210 South Fairfield, Chicago, IL. The note is non-interest bearing if not in default and has a five-year compliance period that will begin as soon as the loan agreement is executed. This debt will be forgiven ratably over the five-year compliance period. Advances from this note were used to fund renovations to the secured property which is utilized by IMAN for its reentry program.

Outstanding balance, beginning of the year	\$ 278,840	\$ 278,840
Debt forgiven	(111,536)	-
Outstanding balance, end of year	\$ 167,304	\$ 278,840

Compliance loan with the Redevelopment Corporation Neighborhood Housing Service (RCNHS) that originated in 2016 and is secured by real property located at 6214 South Talman, Chicago, IL. The note is non-interest bearing if not in default and has a three-year compliance period. This debt will be forgiven over the three-year compliance period. Advances from this note were used to purchase the secured property which is IMAN will utilize for its reentry program.

Outstanding balance, beginning of the year	\$ -	\$ -
Loan advances	39,800	-
Debt forgiven	(34,743)	-
Outstanding balance, end of year	\$ 5,057	\$ -

SUMMARY:		
Outstanding balance, beginning of the year	\$ 289,847	\$ 300,954
Loan advances	39,800	-
Debt forgiven	(157,286)	(11,107)
Outstanding balance, end of year	\$ 172,361	\$ 289,847

INNER-CITY MUSLIM ACTION NETWORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2016

NOTE 13 - CAPITAL LEASE OBLIGATION

	12/31/2016	12/31/2015
Noncancelable lease-to-own capital lease agreement for real property and office furniture and fixtures that commenced in December 2006 and was most recently refinanced in July, 2016. Under the terms of the refinancing, IMAN is required to make 180 monthly rent payments of \$2,532 on an initial refinanced amount of \$315,000. Part of each monthly rent is applied as a credit to the initial refinanced amount.		
Outstanding balance	\$ 290,550	\$ 293,025
Less current maturities		18,915
Outstanding balance net of current maturities	\$ 290,550	\$ 274,110

Future minimum capital lease obligations credits payable as of December 31, 2016 are as follows:

Year	Amount
2017	\$ 15,502
2018	16,336
2019	17,215
2020	18,140
2021	19,116
2021 and thereafter	204,241
Totals	\$ 290,550

INNER-CITY MUSLIM ACTION NETWORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2016

NOTE 14 - GRANTS AND CONTRIBUTIONS, AND CONTRACT FEES AND AWARDS

IMAN recognized grants and contributions and contract fees and awards from the following benefactors for the years ended December 31, 2016 and December 31, 2015:

<u>Grants and contributions:</u>	2016	2015
Al-Faisal Without Borders	\$ 119,976	\$ 200,000
Afzal Family Foundation	10,000	10,000
Arie and Ida Crown Memorial	30,000	-
Blue Cross and Blue Shield of Illinois	30,000	-
Chicago Community Loan Fund	-	45,000
Chicago Community Trust	90,000	227,000
Chicago Foundation for Women	-	12,000
Chicago Park District	150,000	
Cricket Island Foundation	86,000	8,000
Communities United	12,000	-
Council of Islamic Organizations of Greater Chicago	42,500	22,450
County of Cook	50,000	-
DePaul University	25,000	-
Field Foundation of Illinois	25,000	25,000
The Food Trust	15,500	-
Grant Healthcare Foundation	20,000	20,000
Hope, Education, & Outreach of St. Sabina	10,000	-
Illinois Department of Commerce and Economic Opportunity	8,261	193,938
Impact 100 Chicago	-	18,000
Islamic Relief USA	95,000	45,000
John D. And Catherine T. MacArthur Foundation	75,000	-
Kirkland & Ellis Foundation	25,000	-
Kirkland & Ellis, LLP	5,000	-
Kresge Foundation	75,000	-
Libra Foundation	47,000	40,000
Marguerite Casey Foundation	30,000	700,000
Mosque Foundation	8,175	13,340
National Endowment for the Arts	10,000	-
Northwestern University	40,707	-
Old Town School of Folk Music	20,000	12,214
Pillars Foundation	81,500	42,000
Polk Bros. Foundation	65,000	-
Recycle Processes, Inc.	25,000	-

(Continued on the following page)

INNER-CITY MUSLIM ACTION NETWORK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2016

NOTE 14 - GRANTS AND CONTRIBUTIONS, AND CONTRACT FEES AND AWARDS (Continued)

<u>Grants and contributions (Continued):</u>	2016	2015
Stuart Family Foundation	\$ 75,000	\$ 50,000
Turner Construction	150,000	-
United Way of Metropolitan Chicago	24,000	25,000
U.S. Department of Agriculture	17,961	57,216
U.S. Bank	10,000	-
Waqf Fund	-	50,000
Winston & Strawn, LLP	25,000	-
Wieboldt Foundation	35,000	15,000
Woods Fund of Chicago	223,506	22,250
Zakat Foundation of America	82,500	-
Ariel Investments, LLC	25,000	
Various individuals, each \$10,000 or more	881,482	507,000
Others under \$10,000 each, both years	625,250	506,758
Total grants and contributions	<u>\$ 3,501,318</u>	<u>\$ 2,867,166</u>
<u>Contract fees and awards:</u>	2016	2015
City of Chicago, Department of Planning and Development	\$ -	\$ 10,000
Others under \$10,000 each, both years	-	5,500
Total contract fees and awards	<u>\$ -</u>	<u>\$ 15,500</u>

NOTE 15 - OPERATING LEASE COMMITMENTS

In addition to the lease-to-own agreement for the 2744 West 63rd Street facility (see Note 13), IMAN rents modular facility space located on the property of its main facility located at 2744 West 63rd Street. The rent agreement related to the modular facility space commenced in 2009 and requires a monthly rent payment of \$775. The rent agreement had an original term of twenty-four months, with the opportunity to continue the rent agreement on a month-to-month basis upon the expiration of the original twenty-four month term. IMAN's management intends to continue occupying the modular facility space on a month-to-month basis. Rent expense related to the modular facility space for the years ended December 31, 2016 and December 31, 2015 was \$9,300 and \$9,320, respectively.

IMAN incurred \$42,061 of installation and set-up costs related to the modular facility space. Such costs have been capitalized and are being amortized over a ten year period under the straight-line method. Amortization expense related to these set-up costs for the years ended December 31, 2016 and December 31, 2015 was \$4,206 and \$4,206, respectively.