

**NORTH AMERICAN STUDENTS  
OF COOPERATION  
AND AFFILIATES**

**Consolidated Financial Statements  
and Supplementary Information  
April 30, 2017  
and  
For the Year Then Ended**

**NORTH AMERICAN STUDENTS  
OF COOPERATION  
AND AFFILIATES**

**Annual Financial Report  
April 30, 2017**

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# Desmond & Ahern, Ltd.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

## **Independent Auditor's Report**

Board of Directors  
North American Students of Cooperation and affiliates  
Chicago, IL

We have audited the accompanying consolidated financial statements of North American Students of Cooperation and affiliates (NASCO) which comprise the consolidated statement of financial position as of April 30, 2017, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated 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 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 audit. We conducted our audit 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 of 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 consolidated financial position of North American Students of Cooperation and affiliates as of April 30, 2017, 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.

### ***Other Matters***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is 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 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 information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Desmond & Akers, Ltd*

December 15, 2017  
Chicago, IL

**NORTH AMERICAN STUDENTS OF COOPERATION AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As of April 30, 2017**

**Assets**

Current Assets

Cash and equivalents	\$ 360,613
Investments	511,292
NCDF preferred shares	42,132
Accounts receivable, net of allowance	165,588
Prepaid insurance	28,640
Security and other deposits	867
Current portion of loans receivable	3,181
Total current assets	<u>1,112,313</u>

Property and equipment, net of depreciation	6,698,711
Loans receivable	87,943

**Total Assets** \$ 7,898,967

**Liabilities and Net Assets**

Current Liabilities

Accounts payable and accrued expenses	\$ 37,621
Interest payable	9,905
Property taxes payable	87,191
Deferred membership revenue	47,577
Member deposits	2,300
Current portion of notes payable	1,301,601
Total current liabilities	<u>1,486,195</u>

Long-Term Debt

Notes payable, net of current portion	<u>3,470,312</u>
Total liabilities	<u>4,956,507</u>

Net Assets

Unrestricted	2,820,089
Non-controlling interest in Lots in Common	<u>122,371</u>
Total net assets	<u>2,942,460</u>

**Total Liabilities and Net Assets** \$ 7,898,967

See independent auditor's report and notes to consolidated financial statements.

**NORTH AMERICAN STUDENTS OF COOPERATION AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**For the Year Ended April 30, 2017**

**Revenues and Support**

Rental income	\$ 992,234
Program service fees	74,930
Management fees	2,412
Membership dues	160,687
Contributed revenue	757,442
Interest income	9,053
	<hr/>
Total Revenues and Support	1,996,758
	<hr/>

**Expenses**

Salary and employee benefits	224,642
Program events and meetings	68,747
Coop property and liability insurance	71,890
Interest expense	262,568
Coop property taxes	165,971
Coop maintenance and repairs	125,322
Coop utilities	16,933
Professional fees	22,758
Board expenses	17,010
Dues	8,249
Management fee	8,960
Scholarships	7,202
Depreciation	209,212
Bad debt expense	6,000
Office expenses	14,547
Staff travel	22,614
Miscellaneous	57,115
	<hr/>
Total Expenses	1,309,740
	<hr/>

<b>Change in Net Assets</b>	687,018
<b>Net Assets, Beginning of Year</b>	2,255,442
	<hr/>
<b>Net Assets, End of Year</b>	\$ 2,942,460
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See independent auditor's report and notes to consolidated financial statements.

**NORTH AMERICAN STUDENTS OF COOPERATION AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the Year Ended April 30, 2017**

**Cash Flows from Operating Activities**

Change in net assets	\$ 687,018
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation and amortization	209,212
Non-cash capital contribution	(729,417)
Decrease (increase) in assets	
Accounts receivable	(106,387)
Prepaid insurance	(18,152)
Loan receivable	971
Other assets	(6,975)
Increase (decrease) in liabilities	
Accounts payable	28,002
Accrued expenses	(63,667)
Property taxes payable	55,543
Deferred membership dues	47,577
Net cash provided by operating activities	<u>103,725</u>

**Cash Flows from Investing Activities**

Additions to property and equipment	(1,131,563)
Purchase of preferred shares	(428,624)
Net cash used by investing activities	<u>(1,560,187)</u>

**Cash Flows from Financing Activities**

Proceeds from long-term debt and refinancing	818,000
Payments on long-term debt	(67,425)
Net cash provided by financing activities	<u>750,575</u>

<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(705,887)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b><u>1,066,500</u></b>
<b>Cash and cash equivalents, end of year</b>	<b><u><u>\$ 360,613</u></u></b>

See independent auditor's report and notes to consolidated financial statements.

**NORTH AMERICAN STUDENTS OF COOPERATION AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**April 30, 2017**

**Note 1 – Nature of Organization and Summary of Significant Accounting Policies**

Nature of Organization

North American Students of Cooperation ("NASCO") is a non-profit organization, incorporated to initiate, coordinate, promote and otherwise participate in educational efforts and programs related to consumer and housing cooperation. In addition, the Organization provides management services for a variety of housing cooperatives across North America, located mainly in university communities.

The affiliated organizations of NASCO are:

- NASCO Properties (NP)
- Lots in Common, Inc. (LINC)
- Campus Cooperative Development Corporation (NASCO Development)

NASCO Properties, Inc. (NP) is a non-profit organization exempt from Federal income tax under Section 501(c)(2) of the Internal Revenue Code. The primary purpose of NP is to hold title to cooperative properties located throughout the United States, collect rental income and support the activities of NASCO.

Lots in Common Inc. (LINC) is a non-profit organization exempt from Federal income tax under Section 501(c)(25) of the Internal Revenue Code. LINC operates exclusively for acquiring real property, collecting income from such property, and remitting the amount of income collected from such property, less reasonable expenses, to NASCO

The Campus Cooperative Development Corporation (NASCO Development) was incorporated as a not-for-profit corporation but is currently subject to Federal income tax. NASCO Development provides educational programs and materials for those interested in starting or expanding campus cooperatives; provides the general public with information about campus cooperatives; facilitates the work of other groups in providing support and technical assistance to new or expanding campus cooperatives; fosters a sustained effort to promoting the starting and expanding of cooperatives on College and University campuses.

NASCO has the authority to appoint board members to the board of NP and therefore are commonly controlled entities. NASCO and NASCO Development share board members and management controlling both entities and therefore are commonly controlled entities. NASCO owns 56% of LINC.

Consolidated Financial Statements

The accompanying financial statements reflect the consolidation of NASCO, NP, NASCO Development and LINC. All significant inter-organization transactions and accounts have been eliminated.

**NORTH AMERICAN STUDENTS OF COOPERATION AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**April 30, 2017**

**Note 1 – Nature of Operations and Summary of Significant Accounting Policies (cont.)**

Basis of Accounting

The consolidated financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant accounts receivable, payables, and other assets and liabilities.

Basis of Presentation

The consolidated organizations report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted as required by Generally Accepted Accounting Principles (GAAP). At April 30, 2017 the organizations did not have any temporary or permanently restricted net assets.

Income Tax Status

NASCO is exempt from Federal tax pursuant to Section 501(c)(3) of the Internal Revenue Code. LINC is exempt from income tax pursuant to 501(c)(25) of the Internal Revenue Code. Accordingly, no provision has been made in the accompanying financial statements for income taxes. NP is exempt from income taxes pursuant to Section 501(c)(2) of the Internal Revenue Code,

NASCO Development operates as a C-Corporation and is subject to applicable federal and state income taxes. There are no material differences between the recognition of income and expense for book and tax purposes. NASCO Development recognizes the amount of taxes payable or refundable for the current year and recognizes deferred tax liabilities and assets for the expected future tax consequences of events and transactions that have been recognized in the Company's financial statements or tax returns. The Company currently has substantial net operating loss carryforwards. The Company has recorded a 100% valuation allowance against net deferred tax assets due to uncertainty of their ultimate realization. As of April 30, 2017 NASCO Development has a net operating loss carryforward of approximately \$10,000 for federal income tax purposes and approximately \$15,000 for state income tax purposes which expire at various dates beginning in 2031. Management's assessment is that there are no uncertain tax positions.

The tax-exempt status of NASCO, NP and LINC and the nature in which these organizations operate adheres to the tax-exempt purposes of each organization. There are no uncertain tax positions with these organizations.

The 2014 through 2017 annual information and income tax returns filed with the Internal Revenue Service are open to examination.

**NORTH AMERICAN STUDENTS OF COOPERATION AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**April 30, 2017**

**Note 1 – Nature of Operations and Summary of Significant Accounting Policies (cont.)**

Use of Estimates in the Preparation of Financial Statements

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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Equivalents and Concentration of Risk

Cash and equivalents consist of bank deposits in federally insured accounts. At times, such deposits may be in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limit. All highly liquid debt instruments, if any, purchased with an original maturity of three months or less, and all certificates of deposit are considered cash equivalents.

Investments

Investments are carried at fair value. Realized and unrealized gains and losses are reflected in the Statement of Activities.

Deferred Revenue

Membership registrations and dues collected in advance have been included in deferred revenue in the accompanying consolidated statement of financial position. Such deferred revenue is substantially recognizable within one year.

Cash Flow Information

As previously noted, all highly liquid investments with an initial maturity of three months or less to be cash equivalents. There was no cash paid for income taxes during the year ended April 30, 2017. Total cash paid for interest totaled \$262,568 for the year ended April 30, 2017. No cash was paid for taxes for the year ended April 30, 2017.

Accounts Receivable

Accounts receivable are reported at net realizable value. An allowance for uncollectible accounts is determined based on historical experience and current economic conditions. Management has determined the allowance for uncollectible receivables as of April 30, 2017 to be \$5,000.

Donated Services

No amounts have been reflected in the financial statements for donated services. It is the policy of the Organization to pay for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs and various committee assignments.

**NORTH AMERICAN STUDENTS OF COOPERATION AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**April 30, 2017**

**Note 1 – Nature of Operations and Summary of Significant Accounting Policies (cont.)**

**Property and Equipment**

Property and equipment are recorded at cost. Donated property and equipment are recorded as increases in unrestricted net assets at their estimated fair market value as of the date received. Major additions are capitalized, while replacements, maintenance and repairs that do not improve or extend the lives of the respective assets, are expensed as incurred.

Furniture and equipment purchased for use in the housing facilities are capitalized when the cost exceeds \$500. Furniture and equipment not meeting these criteria are expensed as maintenance costs in the period of acquisition.

Depreciation is computed using the straight-line method over the estimated useful lives of the related assets as follows:

Building and building improvements	20 - 40 years
Equipment	3 - 10 years
Furniture and fixtures	7 years
Leasehold improvements	Life of lease

Depreciation and amortization amounted to \$209,212 for the year ended April 30, 2017.

**Subsequent Events**

Accounting principles generally accepted in the United States of America establish general standards of accounting for, and disclosure of, events that occur after the balance sheet date but before financial statements are issued or are available to be issued. The Organization has evaluated subsequent events through the date of the report on the financial statements, which is the date the statements were available to be issued. No subsequent events have been identified that are required to be disclosed as of that date.

**Note 2 – Notes Receivable**

An unsecured promissory note dated September 1, 2008 was entered into between NP and Community Housing Expansion of Austin for satisfaction of an outstanding accounts receivable balance in the amount of \$20,022. There is a 6.5% interest factor. The note has a 15-year term. The monthly payment is \$182, which includes interest at 6.5%. The note matures August 30, 2023. The balance at April 30, 2017 is \$11,330.

An unsecured promissory note dated May 1, 2012 was entered into between NP and University of Kansas Student Housing Association in the amount of \$59,875. This is a thirty year note with stated interest of 5%. The monthly payment is \$321. The note matures August 30, 2022. The balance at April 30, 2017 is \$55,074.

**NORTH AMERICAN STUDENTS OF COOPERATION AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**April 30, 2017**

**Note 2 – Notes Receivable (cont.)**

An unsecured promissory note dated September 1, 2012 was entered into between NP and Nickel City Housing Cooperation in the amount of \$29,070. This is a thirty year note with stated interest of 4%. Total monthly payment is \$129. The note matures August 31, 2022. The balance at April 30, 2017 is \$24,720.

**Note 3 – Notes Payable**

At April 30, 2017 long-term debt consists of the following:

Lender/Security	Interest Rate	Total Monthly Payment	2017
<u>Wells Fargo</u> Term loans secured by 2604 Paramount Avenue and 7910 Gault St, Austin, Texas	3.65%	Monthly payments totaling \$8,119 including interest, with a balloon payment due March	\$1,170,333
<u>Chicago Community Loan Fund</u> Term loans secured by 5225 South Blackstone Avenue and 5130 South University, Chicago, Illinois	6.50%	Monthly payments totaling \$6,066 including interest, with a balloon payment due February,	922,141
<u>Northcountry Cooperative Development Fund</u> Term loans secured by 23 Elliott Street, Athens, OH	6.75%	Monthly payments totaling \$1,437 including interest, with a balloon payment due May, 2022	200,245
<u>Northcountry Cooperative Development Fund</u> Term loans secured by 173 North Lancaster Street, Athens, OH	6.50%	Monthly payments totaling \$1,120 including interest, with a balloon payment due May, 2022	161,334
<u>Central National Bank</u> Term loans secured by 1406 Tennessee St, 1614 Kentucky Street and 1033 Kentucky Street, Lawrence, Kansas	4.95%	Monthly payments totaling \$3,348 including interest, with a balloon payment due November, 2030	389,434

**NORTH AMERICAN STUDENTS OF COOPERATION AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**April 30, 2017**

**Note 3 – Notes Payable (cont.)**

<u>Lender/Security</u>	<u>Interest Rate</u>	<u>Total Monthly Payment</u>	<u>2017</u>
<u>Northcountry Cooperative</u>			
<u>Development Fund</u>			
Term loans secured by 1406 Tennessee Street, 1614 Kentucky Street and 1033 Kentucky Street, Lawrence, Kansas	6.50%	Monthly payments totaling \$1,427 including interest, with a balloon payment due January, 2023	\$ 221,326
<u>Shared Capital</u>			
Term loans secured by 505 West Green Street, Urbana, IL	6.00%	Monthly payments totaling \$1,257 including interest, with a balloon payment due December,	206,891
<u>First Federal Savings Bank of</u>			
<u>Champaign-Urbana</u>			
Term loans secured by 702 West Washington, Urbana, IL	3.50%	Monthly payments totaling \$1,198 including interest, with a balloon payment due November,	44,654
<u>Northcountry Cooperative</u>			
<u>Development Fund</u>			
Term loans secured by 208 North Street and 126 Fargo Avenue, Buffalo, New York	8.00%	Monthly payments totaling \$2,416 including interest, with a balloon payment due November, 2020	194,903
<u>Cooperative Fund of New England</u>			
Term loans secured by 116 Waterman Street and 166 Waterman Street, Providence,	6.50%	Monthly payments totaling \$2,377 including interest, with a balloon payment due September,	346,886
<u>Chicago Community Loan Fund</u>			
Term loans secured by 5405 S. Ridgewood Ct., Chicago, Illinois	6.00%	Monthly payments totaling \$2,458 including interest, with a balloon payment due May, 2023	388,949

**NORTH AMERICAN STUDENTS OF COOPERATION AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**April 30, 2017**

**Note 3 – Notes Payable (cont.)**

<u>Lender/Security</u>	<u>Interest Rate</u>	<u>Total Monthly Payment</u>	<u>2017</u>
<u>Northcountry Cooperative</u>			
<u>Development Fund</u>			
Term loans secured by 4017 South Michigan Avenue, Chicago, Illinois	6.75%	Monthly payments totaling \$2,454 including interest, with a balloon payment due August,	\$ 379,752
<u>Northcountry Cooperative</u>			
<u>Development Fund</u>			
Term loans secured by 4017 South Michigan Avenue, Chicago, Illinois	6.75%	Monthly payments totaling \$423 including interest, with a balloon payment due August, 2021	64,953
Other notes	0%-7.5%	Various	80,112
Current maturities			4,771,913
Total			(1,301,601)
			\$3,470,312

Scheduled maturities for the years subsequent to April 30, 2017 are as follows:

<u>Years Ending April 30,</u>	
2018	\$ 1,301,601
2019	92,087
2020	98,932
2021	159,158
2022	451,762
Thereafter	2,668,373
Total	\$ 4,771,913

**Note 4 – Property and Equipment**

The composition of property and equipment at April 30, 2017 is as follows:

Land	\$ 1,430,647
Building and improvements	6,613,215
Furniture and fixtures	81,342
	8,125,204
Less accumulated depreciation and amortization	(1,426,493)
Net property and equipment	\$ 6,698,711

**NORTH AMERICAN STUDENTS OF COOPERATION AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**April 30, 2017**

**Note 5 – Fair Value Measurements**

Generally accepted accounting principles (GAAP) define fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required to be recorded at fair value, the Organization considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of nonperformance.

GAAP also establishes a fair value hierarchy that requires the Organization to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The hierarchy consists of three levels:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or dissimilar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets, or liabilities.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following summarizes that classification of investments at April 30, 2017, by classification and method of valuation in accordance with the above definitions:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Shared capital investments	\$ -	\$ 507,447	\$ -	\$ 507,447
Shared capital common stock	-	3,845	-	3,845
Shared capital preferred stock	-	42,132	-	42,132
	<u>\$ -</u>	<u>\$ 553,424</u>	<u>\$ -</u>	<u>\$ 553,424</u>

**Note 6 – Functional Classification of Expenses**

For the year ended April 30, 2017, the NASCO incurred approximately \$50,000 of management and general expenses. The remainder of the expenses were for program services. As virtually all management and general fees for NP and NASCO Development Services are paid for by NASCO. There were no material amount of management and general expenses of either of these entities for the year ended April 30, 2017. LINC is managed by Qumbya and paid a total of \$8,960 for the year ended April 30, 2017.

**NORTH AMERICAN STUDENTS OF COOPERATION AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**April 30, 2017**

**Note 7 – Affiliated Entities Transactions**

For the year ended April 30, 2017 NASCO received \$87,247 and \$55,811 from NP and NDS for organization management and other services provided. NDS received \$11,219 from LINC for consulting services. NDS received consulting fees and dues from NP. As of April 30, 2017 there were small intercompany payables and receivables for various transactions.

**Note 8 – Contingencies**

BACH has the option to buy back two properties located in Providence, Rhode Island which it contributed to NASCO properties for five years from the date of contribution. NASCO would be able to recover all costs associated with BACH but not make a profit from the sale according the agreement. During 2017, NASCO properties realized a \$700,000 contribution from the properties.

**Note 9 – Non-Controlling Interest in Lots in Common**

Qumbya Housing Cooperative owns 44% of Lots in Common.

	<u>Total</u>	<u>Controlling Interest</u>	<u>Non-Controlling Interest</u>
Balance May 1, 2016	\$ 312,033	\$ 174,738	\$ 137,295
Excess of expenses over revenues from continuing operations	<u>(33,917)</u>	<u>(18,994)</u>	<u>(14,923)</u>
Balance April 30, 2017	<u>\$ 278,116</u>	<u>\$ 155,744</u>	<u>\$ 122,372</u>

## Supplementary Information

**NORTH AMERICAN STUDENTS OF COOPERATION AND AFFILIATES**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**As of April 30, 2017**

	NASCO Properties	NASCO Development	NASCO Consolidated			Consolidated
			NASCO	Lots In Common	Total	
<b>Assets</b>						
Current Assets						
Cash and cash equivalents	\$ 157,506	\$ 23,428	\$ 178,833	\$ 846	\$ 179,679	\$ 360,613
Investments	511,292	-	-	-	-	511,292
NCDF preferred shares	42,132	-	-	-	-	42,132
Accounts receivable, net of allowance	102,997	3,344	28,435	30,812	59,247	165,588
Prepaid insurance	21,895	-	-	6,745	6,745	28,640
Other assets	217	-	650	-	650	867
Current portion of loans receivable	3,181	-	-	-	-	3,181
Total current assets	839,220	26,772	207,918	38,403	246,321	1,112,313
Property and equipment, net of depreciation	5,610,057	-	2,741	1,085,913	1,088,654	6,698,711
Loans receivable	87,943	-	-	-	-	87,943
<b>Total Assets</b>	<b>\$ 6,537,220</b>	<b>\$ 26,772</b>	<b>\$ 210,659</b>	<b>\$ 1,124,316</b>	<b>\$ 1,334,975</b>	<b>\$ 7,898,967</b>
<b>Liabilities and Net Assets</b>						
Current Liabilities						
Accounts payable and accrued expenses	\$ 8,795	\$ 3,907	\$ 24,919	\$ -	\$ 24,919	\$ 37,621
Interest payable	9,905	-	-	-	-	9,905
Property taxes payable	74,645	-	-	12,546	12,546	87,191
Deferred membership revenue	-	16,838	30,739	-	30,739	47,577
Member deposits	2,300	-	-	-	-	2,300
Current portion of notes payable	1,301,601	-	-	-	-	1,301,601
Total current liabilities	1,397,246	20,745	55,658	12,546	68,204	1,486,195
Long-Term Debt						
Notes payable, net of current portion	2,636,658	-	-	833,654	833,654	3,470,312
Total liabilities	4,033,904	20,745	55,658	846,200	901,858	4,956,507
Net Assets						
Unrestricted	2,503,316	6,027	155,001	155,745	310,746	2,820,089
Non-controlling interest in Lots in Common	-	-	-	122,371	122,371	122,371
Total net assets	2,503,316	6,027	155,001	278,116	433,117	2,942,460
<b>Total Liabilities and Net Assets</b>	<b>\$ 6,537,220</b>	<b>\$ 26,772</b>	<b>\$ 210,659</b>	<b>\$ 1,124,316</b>	<b>\$ 1,334,975</b>	<b>\$ 7,898,967</b>

See independent auditor's report.

**NORTH AMERICAN STUDENTS OF COOPERATION AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**For the Year Ended April 30, 2017**

	NASCO Properties	NASCO Development	NASCO Consolidated		Total	Eliminations	Total
			NASCO	Lots In Common			
<b><u>Revenues and Support</u></b>							
Rental income	\$ 901,824	\$ -	\$ -	\$ 90,410	\$ 90,410	\$ -	\$ 992,234
Program services fees	-	-	74,930	-	74,930	-	74,930
Management fees	-	-	149,768	-	149,768	147,356	2,412
Membership dues	-	70,348	90,339	-	90,339	-	160,687
Contributed revenue	700,000	-	57,442	-	57,442	-	757,442
Interest income	8,659	-	394	-	394	-	9,053
Total Revenues and Support	1,610,483	70,348	372,873	90,410	463,283	147,356	1,996,758
<b><u>Expenses</u></b>							
Salary and employee benefits	-	-	224,642	-	224,642	-	224,642
Program events and meetings	-	-	68,747	-	68,747	-	68,747
Coop property and liability insurance	65,680	-	-	6,210	6,210	-	71,890
Interest expense	220,963	-	-	41,605	41,605	-	262,568
Coop property taxes	153,642	-	-	12,329	12,329	-	165,971
Coop maintenance and repairs	114,759	-	-	10,563	10,563	-	125,322
Coop utilities	13,805	-	-	3,128	3,128	-	16,933
Professional fees	16,112	61,186	4,381	1,725	6,106	60,646	22,758
Board expenses	17,010	-	-	-	-	-	17,010
Dues	7,274	-	-	975	975	-	8,249
Management fee	86,710	-	-	8,960	8,960	86,710	8,960
Scholarships	6,902	-	-	300	300	-	7,202
Depreciation	176,938	-	-	32,274	32,274	-	209,212
Bad debt expense	6,000	-	-	-	-	-	6,000
Office expenses	-	-	14,547	-	14,547	-	14,547
Staff travel	-	-	22,614	-	22,614	-	22,614
Miscellaneous	25,500	7,586	17,771	6,258	24,029	-	57,115
Total Expenses	911,295	68,772	352,702	124,327	477,029	147,356	1,309,740
<b>Change in net assets</b>	699,188	1,576	20,171	(33,917)	(13,746)	-	687,018
<b>Net assets, beginning of year</b>	1,804,128	4,451	134,830	312,033	446,863	-	2,255,442
<b>Net assets, end of year</b>	\$ 2,503,316	\$ 6,027	\$ 155,001	\$ 278,116	\$ 433,117	\$ -	\$ 2,942,460

See independent auditor's report.