

**THE RENAISSANCE COLLABORATIVE, INC., AND AFFILIATES  
CHICAGO, ILLINOIS**

**CONSOLIDATED FINANCIAL AND COMPLIANCE AUDIT REPORT**

**YEARS ENDED DECEMBER 31, 2024 AND 2023**

**THE RENAISSANCE COLLABORATIVE, INC. & AFFILIATES**

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**RAGLAND, ARNOLD, BUCHANAN,  
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Certified Public Accountants and Management Consultants

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## INDEPENDENT AUDITORS' REPORT

Board of Directors of  
The Renaissance Collaborative, Inc., and Affiliates  
Chicago, Illinois

### Opinion

We have audited the accompanying financial statements of The Renaissance Collaborative, Inc., and Affiliates (a non-profit organization), which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Renaissance Collaborative, Inc., & Affiliates, as of December 31, 2024, 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.

### Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Renaissance Collaborative, Inc. and Affiliates, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Consolidated 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 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Renaissance Collaborative Inc., and Affiliates ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Renaissance Collaborative, Inc., and Affiliates internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgement, there are conditions or events considered in the aggregate, that raise substantial doubt about The Renaissance Collaborative, Inc., and Affiliates ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### **Report on Summarized Comparative Information**

We have previously audited The Renaissance Collaborative Inc., and Affiliates 2023 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated August 27, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated January 6, 2026, on our consideration of The Renaissance Collaborative, Inc. & Affiliates, internal control over financial reporting and on our test of its compliance with certain provisions and laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on the effectiveness of The Renaissance Collaborative, Inc. & Affiliates, internal control over financial reporting or on compliance. That report is an integral part of, and audit performed in accordance with Government Auditing Standards in considering The Renaissance Collaborative, Inc. & Affiliates internal control over financial reporting and compliance.

*Ragland, Arnold, Buchanan, Morris & Associates, LLC*

**Ragland, Arnold, Buchanan, Morris & Associates, LLC**  
Certified Public Accountants

Evergreen Park, Illinois  
January 6, 2026

**THE RENAISSANCE COLLABORATIVE, INC., AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2024**  
**(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2023)**

**ASSETS**

	The Renaissance Collaborative, Inc.	Renaissance Partners, Ltd.	Consolidating Entries	2024 Consolidated Total	2023 Consolidated Total
<b>CURRENT ASSETS</b>					
Cash and cash equivalents (Notes A-4, A-7 & B-4)	\$ 77,861	\$ (5,173)	\$ -	\$ 72,688	\$ 100,270
Tenant accounts receivable, net of credit losses of \$-0- and \$-0-, (Notes A-7 & A-18)	111,378	182,276	-	293,654	163,203
Other receivable (Notes A-4, A-7 & A-18)	14,615	293,076	-	307,691	292,031
Grants receivable, net of credit losses of 0- and \$-0-, (Notes A-5 & A-7)	\$- 119,801	-	-	119,801	46,595
Investment in RPLP (Note B-3)	1,883,343	-	(1,883,343)	-	-
Pre-paid expenses	9,691	-	-	9,691	12,814
<b>Total current assets</b>	<b>2,216,689</b>	<b>470,179</b>	<b>(1,883,343)</b>	<b>803,525</b>	<b>614,913</b>
<b>DEPOSITS</b>					
Tenant security deposits (Notes A-11 & B-4)	-	17,911	-	17,911	17,661
Tenant match account	1,612	-	-	1,612	1,612
Operations/Replacement reserve (Notes A-4, A-7, A-9, A-10 & B-4)	90,697	777,957	-	868,654	826,916
<b>Total deposits</b>	<b>92,309</b>	<b>795,868</b>	<b>-</b>	<b>888,177</b>	<b>846,189</b>
<b>NON-CURRENT ASSETS</b>					
Property & equipment, net of accumulated depreciation (Note A-12)	2,894	1,655,097	-	1,657,991	3,120,842
Construction In Progress (Note A-12)	506,281	5,101,663	-	5,607,944	539,372
Development costs, net of accumulated amortization (Note A-12)	-	375,726	-	375,726	-
ROU-Copier Machine, net of accumulated amortization (Notes A-20 & B-9)	12,910	-	-	12,910	16,546
<b>Total non-current assets</b>	<b>522,085</b>	<b>7,132,486</b>	<b>-</b>	<b>7,654,571</b>	<b>3,676,760</b>
<b>OTHER ASSETS</b>					
Notes receivable	13,377	160,791	-	174,168	165,360
Corporate receivable (Note B-3 & B-6))	-	9,383	(9,383)	-	9,383
<b>Total other assets</b>	<b>13,377</b>	<b>170,174</b>	<b>(9,383)</b>	<b>174,168</b>	<b>174,743</b>
<b>TOTAL ASSETS</b>	<b>\$ 2,844,460</b>	<b>\$ 8,568,707</b>	<b>\$ (1,892,726)</b>	<b>\$ 9,520,441</b>	<b>\$ 5,312,605</b>

The accompanying notes are an integral part of these financial statements.

**THE RENAISSANCE COLLABORATIVE, INC., AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)**  
**YEAR ENDED DECEMBER 31, 2024**  
**(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2023)**

**LIABILITIES, NET ASSETS AND PARTNERS' CAPITAL**

	The Renaissance Collaborative, Inc.	Renaissance Partners, Ltd.	Consolidating Entries	2024 Consolidated Total	2023 Consolidated Total
<b>CURRENT LIABILITIES</b>					
Accounts payable	\$ 114,212	\$ 141,299	\$ -	\$ 255,511	\$ 129,916
Accrued expenses	87,669	-	-	87,669	52,404
Total current liabilities	201,881	141,299	-	343,180	182,320
<b>DEPOSIT LIABILITIES</b>					
Tenant security deposits-contra (Note A-11)	-	16,550	-	16,550	16,367
Tenant match account - contra	1,612	-	-	1,612	1,612
Total deposit liabilities	1,612	16,550	-	18,162	17,979
<b>OTHER CURRENT LIABILITIES</b>					
Other security deposit - space (Note B-5)	-	-	-	-	4,000
ROU-Office Copier Machine Liability-current portion (Notes A-20 & B-8)	3,553	-	-	3,553	3,431
Total other current liabilities	3,553	-	-	3,553	7,431
<b>NONCURRENT LIABILITIES</b>					
Corporate Payable (Notes B-3 & B-6)	166,695	-	(166,695)	-	166,695
Long-term debt - DOH Loan (Note B-1)	-	7,168,618	-	7,168,618	7,168,618
Long-term debt - Berstein Loan (Note B-7)	-	840,258	-	840,258	940,258
ROU-Office Copier Machine Liability (Notes A-20 & B-8)	9,532	-	-	9,532	13,065
Total non-current liabilities	176,227	8,008,876	(166,695)	8,018,408	8,288,636
<b>TOTAL LIABILITIES</b>	<b>383,273</b>	<b>8,166,725</b>	<b>(166,695)</b>	<b>8,383,303</b>	<b>8,496,366</b>
<b>NET ASSETS &amp; PARTNERS' CAPITAL</b> (Note A-3)					
Partners' Capital (Deficit)	-	401,982	(1,726,031)	(1,324,049)	(5,753,638)
Without donor restrictions	2,461,187	-	-	2,461,187	2,569,877
With donor restrictions	-	-	-	-	-
Total net assets & partners' capital (Deficit)	2,461,187	401,982	(1,726,031)	1,137,138	(3,183,761)
<b>TOTAL LIABILITIES, NET ASSETS &amp; PARTNERS' CAPITAL</b>	<b>\$ 2,844,460</b>	<b>\$ 8,568,707</b>	<b>\$ (1,892,726)</b>	<b>\$ 9,520,441</b>	<b>\$ 5,312,605</b>

The accompanying notes are an integral part of these financial statements.

**THE RENAISSANCE COLLABORATIVE, INC., AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2024**  
**(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2023)**

**CHANGES IN NET ASSETS AND PARTNERS' CAPITAL:**

	The Renaissance Collaborative, Inc.	Renaissance Partners, Ltd.	Consolidating Entries	2024 Consolidated Total	2023 Consolidated Total
<b>PUBLIC SUPPORT (Notes A-5 &amp; A-6)</b>					
Illinois Dept. of Human Services	\$ 291,080	\$ -	\$ -	\$ 291,080	\$ 378,048
City of Chicago Dept. of Planning & Development	-	4,506,235	-	4,506,235	-
Total public support	291,080	4,506,235	-	4,797,315	378,048
<b>REVENUES</b>					
<b>RENT REVENUES</b>					
CHA HAP revenues	-	496,331	-	496,331	584,553
Tenant rental income (net vacancies)	-	319,134	-	319,134	161,297
Rental space income (Note B-5)	-	20,808	-	20,808	59,377
Real estate management income (Note B-3)	129,192	-	-	129,192	127,068
Landscaping income	-	-	-	-	-
Total rent revenues	129,192	836,273	-	965,465	932,295
<b>FINANCIAL REVENUES</b>					
Interest income	-	36	-	36	83
Unrealized (loss) gain on investments (Note A-10)	-	74,522	-	74,522	112,460
Total financial revenues	-	74,558	-	74,558	112,543
<b>OTHER REVENUES</b>					
Individual/Board member donations	8,988	-	-	8,988	23,435
Fundraising income	-	-	-	-	233
Foundations & corporate grants	203,270	-	-	203,270	107,620
Laundry commission	4,544	-	-	4,544	2,213
Other revenue	25,484	255,697	-	281,181	92,412
Total other revenues	242,286	255,697	-	497,983	225,913
Total public support and revenue without donor restrictions	\$ 662,558	\$ 5,672,763	\$ -	\$ 6,335,321	\$ 1,648,799

The accompanying notes are an integral part of these financial statements.

**THE RENAISSANCE COLLABORATIVE, INC.**  
**CONSOLIDATED STATEMENT OF ACTIVITIES (Continued)**  
**YEAR ENDED DECEMBER 31, 2024**  
**(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2023)**

	The Renaissance Collaborative, Inc.	Renaissance Partners, Ltd.	Consolidating Entries	2024 Consolidated Total	2023 Consolidated Total
Total public support and revenue without donor restrictions	\$ 662,558	\$ 5,672,763	\$ -	\$ 6,335,321	\$ 1,648,799
<b>NET ASSET RESTRICTION TRANSFERS</b>					
Net Assets released from restrictions	-	-	-	-	-
Total public support and revenue	<u>662,558</u>	<u>5,672,763</u>	<u>-</u>	<u>6,335,321</u>	<u>1,648,799</u>
<b>EXPENSES (Note A-8)</b>					
Program and operating expenses	1,132,562	299,640	-	1,432,202	1,545,730
General and administrative expenses	735,891	-	-	735,891	490,203
Fundraising expenses	3,641	-	-	3,641	2,022
Total expenses	<u>1,872,094</u>	<u>299,640</u>	<u>-</u>	<u>2,171,734</u>	<u>2,037,955</u>
Decreases (Increase) in net assets (Note A-14)	(1,209,536)	-	-	(1,209,536)	(756,222)
Increases (Decrease) in partners' capital (Note A-14)	-	5,373,123	-	5,373,123	367,066
Total net decrease in net assets/partners' capital	<u>(1,209,536)</u>	<u>5,373,123</u>	<u>-</u>	<u>4,163,587</u>	<u>(389,156)</u>
<b>Net assets, beginning of year</b>	2,569,877	-	-	2,569,877	2,337,414
<b>Partners' Capital, beginning of year</b>	-	(3,870,295)	(1,883,343)	(5,753,638)	(5,120,038)
Adjustment of net assets, beg. of year (Note A-15)	1,100,846	-	166,695	1,267,541	988,685
Adjustment of partners' capital, beg. of year (Note A-15)	-	(1,100,846)	(9,383)	(1,110,229)	(1,000,666)
<b>Net assets, beginning of year, adjusted</b>	<u>3,670,723</u>	<u>-</u>	<u>(1,726,031)</u>	<u>3,837,418</u>	<u>3,326,099</u>
<b>Partners' Capital, beginning of year, adjusted</b>	<u>-</u>	<u>(4,971,141)</u>	<u>(1,726,031)</u>	<u>(6,863,867)</u>	<u>(6,120,704)</u>
<b>Net assets &amp; partners' capital (Deficit) - end of year (Note A-3)</b>	<u>\$ 2,461,187</u>	<u>\$ 401,982</u>	<u>\$ (1,726,031)</u>	<u>\$ 1,137,138</u>	<u>\$ (3,183,761)</u>

The accompanying notes are an integral part of these financial statements.

**THE RENAISSANCE COLLABORATIVE, INC., AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2024**  
**(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2023)**

	The Renaissance Collaborative, Inc.	Renaissance Partners, Ltd.	Consolidating Entries	2024 Consolidated Total	2023 Consolidated Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Total net decrease in net assets & partners' capital (Note A-14)	\$ (1,209,536)	\$ 5,373,123	\$ -	\$ 4,163,587	\$ (389,156)
Adjustments to reconcile change in net assets to net cash provided by operating activities:					
Depreciation expense (Note A-12)	-	348,020	-	348,020	354,299
Amortization expense (Note A-12)	-	3,637	-	3,637	14,796
Unrealized gain in investments	-	74,522	-	74,522	112,460
(Increase) decrease in assets:					
Tenant accounts receivable	(111,378.00)	(19,073)	-	(130,451)	(110,284)
Other receivable	112,966	(128,626)	-	(15,660)	(97,873)
Prepaid expenses and other current assets	3,123	-	-	3,123	19,545
Grants and contracts receivable, net	(73,206)	-	-	(73,206)	436,375
Tenant security deposits (Note A-11)	-	(250)	-	(250)	(1,779)
Reserve accounts (Notes A-9 & A-10)	(25)	(41,713)	-	(41,738)	687,126
Tenant match account	-	-	-	-	-
Corporate receivable	-	(100,000)	-	(100,000)	157,312
Increase (decrease) in liabilities:					
Accounts payable	82,687	42,908	-	125,595	70,300
Accrued expenses	35,265	-	-	35,265	7,812
Other security deposit	(4,000)	-	-	(4,000)	-
Tenant security deposit (Note A-11)	-	183	-	183	486
Unearned revenue	-	-	-	-	(436,375)
Prior period adjustments (Note A-15)	1,100,846	(1,100,846)	-	-	(11,981)
<b>CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>(63,258)</b>	<b>4,451,885</b>	<b>-</b>	<b>4,388,627</b>	<b>813,063</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of property and equipment	172	(4,407,798)	-	(4,407,626)	(1,015,798)
<b>CASH USED IN INVESTING ACTIVITIES</b>	<b>172</b>	<b>(4,407,798)</b>	<b>-</b>	<b>(4,407,626)</b>	<b>(1,015,798)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
ROU-copier machine	225	-	-	225	(50)
Proceeds (payments) from loans	-	(10,791)	-	(10,791)	155,803
Proceeds on notes payable	1,983	-	-	1,983	-
<b>CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES</b>	<b>2,208</b>	<b>(10,791)</b>	<b>-</b>	<b>(8,583)</b>	<b>155,753</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(60,878)</b>	<b>33,296</b>	<b>-</b>	<b>(27,582)</b>	<b>(46,982)</b>
<b>CASH AT BEGINNING OF YEAR</b>	<b>11,123</b>	<b>89,147</b>	<b>-</b>	<b>100,270</b>	<b>147,242</b>
<b>CASH AT END OF YEAR</b> (Notes A-4, A-7 & B-4)	<b>\$ (49,755)</b>	<b>\$ 122,443</b>	<b>\$ -</b>	<b>\$ 72,688</b>	<b>\$ 100,270</b>
<b>CASH PAID DURING THE YEAR FOR:</b>					
<b>INTEREST</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 597</b>	<b>\$ 1,143</b>

The accompanying notes are an integral part of these financial statements.

THE RENAISSANCE COLLABORATIVE, INC., AND AFFILIATES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2024  
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2023)

	Program Services				Total Program Services
	Social Services	Wabash Y	TRC, Inc.	RPLP	
Salaries	\$ 191,421	\$ -	\$ 599,996	\$ -	\$ 791,417
Payroll taxes & Employee benefits	32,925	-	109,148	-	142,073
Real estate taxes	-	-	-	44,437	44,437
Tenant expenses	9,582	-	2,559	-	12,141
Telephone	1,921	-	6,659	-	8,580
Supplies	2,691	441	36,667	-	39,799
Rental and maintenance of equip.	-	-	-	-	-
Building repairs & maintenance	-	-	4,667	-	4,667
Maintenance/Service Contracts	-	4,548	98,881	-	103,429
Equipment	-	-	-	-	-
Printing and Publications	633	-	5,490	-	6,123
Postage and shipping	294	-	1,019	-	1,313
Conference and meetings	395	-	1,370	-	1,765
Travel	13	-	-	-	13
Professional fees	250	-	700	-	950
Fees & Permits	-	550	353	-	903
Office expense	1,209	-	4,192	22	5,423
Fines/penalties	-	-	-	-	-
Utilities	-	-	-	134,850	134,850
Miscellaneous expenses	-	-	2,381	-	2,381
Insurance	-	-	-	120,331	120,331
Gala/Fundraiser expenses	-	-	-	-	-
Interest expense	-	-	-	-	-
Computer expense	2,202	-	7,635	-	9,837
Staff Development/Training	820	-	950	-	1,770
Total expenses before depreciation/amortization	\$ 244,356	\$ 5,539	\$ 882,667	\$ 299,640	\$ 1,432,202
Amortization (Notes A-12, A-20, B-9)	-	-	-	-	-
Depreciation (Note A-12)	-	-	-	-	-
Total expenses	\$ 244,356	\$ 5,539	\$ 882,667	\$ 299,640	\$ 1,432,202

The accompanying notes are an integral part of these financial statements.

THE RENAISSANCE COLLABORATIVE, INC., AND AFFILIATES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (Continued)

YEAR ENDED DECEMBER 31, 2024  
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2023)

	SUPPORTIVE SERVICES			2024 Consolidated Total	2023 Consolidated Total
	TRC, Inc. Management and General	Fundraising	Total Supporting Services		
Salaries	\$ 187,351	\$ -	\$ 187,351	\$ 978,768	\$ 995,283
Payroll taxes & Employee benefits	34,672	-	34,672	176,745	132,585
Real estate taxes	-	-	-	44,437	27,008
Tenant expenses	-	-	-	12,141	1,634
Telephone	5,322	-	5,322	13,902	40,868
Supplies	6,354	1,641	7,995	47,794	25,822
Rental and maintenance of equip.	-	-	-	-	-
Building repairs & maintenance	-	-	-	4,667	-
Maintenance/Service Contracts	39,721	-	39,721	143,150	132,327
Equipment	-	-	-	-	-
Printing and Publications	4,120	-	4,120	10,243	11,449
Postage and shipping	815	-	815	2,128	1,444
Conference and meetings	1,095	-	1,095	2,860	-
Travel	12	-	12	25	823
Professional fees	52,029	2,000	54,029	54,979	34,488
Fees & Permits	830	-	830	1,733	2,656
Office expense	9,489	-	9,489	14,912	15,680
Fines/penalties	-	-	-	-	-
Utilities	-	-	-	134,850	150,328
Miscellaneous expenses	35,383	-	35,383	37,764	-
Insurance	-	-	-	120,331	55,218
Gala/Fundraiser expenses	196	-	196	196	1,887
Interest expense	-	-	-	-	1,143
Computer expense	6,102	-	6,102	15,939	37,317
Staff Development/Training	743	-	743	2,513	900
Total expenses before depreciation/amortization	\$ 384,234	\$ 3,641	\$ 387,875	\$ 1,820,077	\$ 1,668,860
Amortization (Notes A-12, A-20, B-9)	3,637	-	3,637	3,637	14,796
Depreciation (Note A-12)	348,020	-	348,020	348,020	354,299
Total expenses	\$ 735,891	\$ 3,641	\$ 739,532	\$ 2,171,734	\$ 2,037,955

The accompanying notes are an integral part of these financial statements.

**THE RENAISSANCE COLLABORATIVE, INC., AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2024 AND 2023**

**ORGANIZATION**

The Renaissance Collaborative, Inc., is a not-for-profit corporation formed under the laws of the State of Illinois on May 21, 1992, and its wholly owned affiliate, Renaissance Partners, Ltd. The Renaissance Collaborative, Inc., (commonly known as TRC), is dedicated to providing affordable housing, suitable living environment and to build and restore human and spiritual dignity of all those served. The Organization receives contributions from government agencies, foundations, corporations, and individuals. The Renaissance Collaborative Inc.'s affiliate, Renaissance Partners Ltd., was formed as a limited partnership under the laws of the state of Illinois in 1995 for the purpose of operating a rental housing project. The project consists of 101 units located in Chicago, Illinois. The partnership is currently operating under the name of Renaissance Apartments and Fitness for Life Center.

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**1. BASIS OF CONSOLIDATION**

Consolidated financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards, *Financial Statements of Not-for-Profit Organizations*. Under the terms of that Statement, the consolidated financial statements include the accounts of The Renaissance Collaborative, Inc. and Renaissance Partners Ltd. The assets, liabilities, net assets, revenues, and expenses have been consolidated as The Renaissance Collaborative, Inc., and Affiliates. Due to substantial organizational control by The Renaissance Collaborative, Inc., Renaissance Partnership, Ltd., is consolidated in these financial statements. All significant intercompany transactions have been eliminated with consolidating entries.

**2. BASIS OF ACCOUNTING**

The consolidated financial statements of The Renaissance Collaborative, Inc., and Affiliates, have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, revenues and expenses, payables, and other liabilities.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**3. FINANCIAL STATEMENT PRESENTATION**

Resources are classified for accounting and reporting purposes into two general classes of net assets, according to externally imposed restrictions:

Net assets without donor restrictions: The portion of the net assets of the organization that can be used subject only to the broad limits resulting from the nature of the organization, the environment it operates, the purposes specified in its articles of incorporation or bylaws. In some cases, the use of these resources is also subject to limits resulting from contractual agreements with suppliers, creditors, and others entered into by the Organization in the course of its business. The Organization has the greatest ability to choose when using these resources.

Net assets with donor restrictions: The portion of net asset of the Organization that is subject to either donor-imposed time restrictions or donor-imposed purpose restrictions. These restrictions limit the Organization's choices when using these resources because the Organization has a fiduciary responsibility to its donors to follow the donor's instructions.

Net assets with donor restrictions generally result from donor-restricted contributions and any investment return generated by the Organization.

The Renaissance Collaborative, Inc. has a controlling financial interest as a result of majority voting control and is not required to measure the entity at fair market value in accordance with Topic 948. The Renaissance Collaborative, Inc. has consolidated the accounts of its wholly owned and controlled affiliate, Renaissance Partners Ltd., which is not a variable interest entity (VIE). Since the financial statements are consolidated, this includes activity from Renaissance Partners, Ltd., a partners equity account is presented for the years ended December 31, 2024, and 2023, respectively.

#### **Date of Management's Review**

Management has evaluated subsequent events through January 6, 2026, the date on which the consolidated financial statements were available to be issued.

#### **Comparative Financial Statements**

These consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class or functional expense categories. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2023, from which the summarized information was derived.

#### **4. CASH AND CASH EQUIVALENTS**

For the purpose of reporting cash flows, cash and cash equivalents include all cash balances on deposit with financial institutions and highly liquid investments with a maturity of three months or less at the date of purchase.

Cash deposits is not considered cash equivalents and includes cash held with financial institutions for refunds of tenant security deposits, funding of operating deficits, repairs, and improvements to the building.

#### **5. PUBLIC SUPPORT AND GRANTS RECEIVABLE**

Public support is recognized from the various funding sources when billed to the funding sources. Many of the contracts are the reimbursement type, which require the Organization to pay for services provided to the participants before it may bill for reimbursement. On a periodic basis, management performs an internal assessment of all grants and accounts receivable accounts and directly writes off delinquent balances at year end. No allowances for credit losses were calculated or recorded for years ended December 31, 2024, and 2023 as the Organization believes that grants receivables are 100% collectible. The Organization has elected to Credit Loss Practical Expedient (CECIL), which rather than analyzing the accounts receivable and establishing an allowance based upon the analysis, future collections, and economic conditions, the Organization will analyze its accounts receivables by reviewing ninety (90) days of subsequent collections and if any of the amounts are not collectible, the Organization will either adjust revenue (if current) or write the amounts of to credit losses expense. The grants receivables of \$119,801 and \$46,595 represent billed and unbilled costs for which payments have not been received as of December 31, 2024, and 2023, respectively.

#### **6. REVENUE RECOGNITION**

The Renaissance Collaborative, Inc., & Affiliates adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (topic 606), effective January 1, 2020. Topic 606 was adopted on a modified retroactive basis, and the Organization determined that there was no cumulative effect to beginning net assets or current revenue, that was required to be disclosed as a result of adopting the standard. There are no significant financing components, no significant long-term performance obligations that affect the years financial reporting.

While the Organization does have contracts with clients, especially with its multiple funding agencies, revenue is billed when expenses are incurred on a monthly basis with no multiple performance obligations, timing differences or financing obligations that would affect the current year financial reporting.

Under the contract with IDHS, The Renaissance Collaborative, Inc. & Affiliates, is reimbursed for costs incurred in the delivery of supportive housing, and revenue is recognized as costs are incurred.

Rental revenue are contracts with customers, attributable to residential leases is recorded when due from residents, generally upon the first day of each month, in which the source of rental revenue is from HUD via Section 8 subsidy program and the actual tenant portion of the rent. Leases are for periods of up to one year, with rental payments due monthly. Other income includes fees earned for late payments, cleaning, damages, laundry facilities and other charges and is recorded when earned.

On April 19, 2023, City of Chicago City Council, authorized to pay Renaissance Partners, Ltd., \$5,313,737 (City Funds) from incremental taxes deposited in the general account of the "TIF Fund", to finance a portion of the eligible costs included in the RAD2 Project, with a commencement date of April 8, 2024 and a completion date of October 31, 2024. The funds are used to reimburse Renaissance Partners, Ltd., for the costs of the TIF funded improvements.

There are no contracts between The Renaissance Collaborative, Inc. & Affiliates, and program participants. Furthermore, there are no multiple performance obligations or timing differences.

**7. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

<u>Financial assets at year end:</u>	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 72,688	\$ 100,270
Receivables	895,314	676,572
Restricted cash deposits/Investments	888,177	846,189
Total financial assets	<u>\$ 1,856,179</u>	<u>\$ 1,623,031</u>
<b><u>Less amounts not available to be used within one year:</u></b>		
Net assets with donor restrictions	-	-
Less net asset with purpose restrictions to be met in less than a year:	-	-
	<u>-</u>	<u>-</u>
Financial expenditures available to meet general expenditures over the next twelve months	<u>\$ 1,856,179</u>	<u>\$ 1,623,031</u>

In addition to financial assets available to meet general operating expenditures over the next twelve months, the Organization operates with a balanced budget and anticipates covering its general expenditures by collecting grant revenue, tenant revenue, In-Kind and Contributions, as needed. The statement of cash flows identifies the sources and uses of the Organization's cash and shows cash generated by operations of \$4,388,627 and \$813,063 for the calendar years ended December 31, 2024, and 2023, respectively.

**8. ALLOCATION OF FUNCTIONAL EXPENSES**

Management and general expenses relate to the overall direction of The Renaissance Collaborative, Inc., and Affiliates, and include expense for the governing board, business management, general accounting, and budgetary functions. Further, fund-raising expenses are the costs of all activities that constitute an appeal for financial support. Management and general expenses, as well as fund-raising expenses, are allocated in accordance with the cost allocation plan. These costs are disclosed in the Statement of Functional Expenses and are allocated to the cost

categories benefited. The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities reported as Program, Management & General and Fund-Raising expenses and accordingly certain costs have been allocated among the programs benefited. The expenses that are allocated are compensation and benefits, which are allocated on the basis of estimates of time and effort; occupancy costs and depreciation, which are allocated on a weighted average square footage basis; and supplies, which are allocated based on average employee head count.

<u>Expense</u>	<u>Method of Allocation</u>
Grants	Time and effort
Salaries and benefits	Time and effort
Professional services	Full Time equivalent
Utilities	Square footage
Insurance	Square footage
Maintenance/Service contracts	Time and effort
Information technologies	Direct charge
Depreciation	Square footage

#### 9. RESERVE FOR REPLACEMENTS AND RESERVE OPERATING DEFICITS

Under the terms of the Regulatory Agreement, The Renaissance Collaborative, Inc., and Affiliates are required to make monthly contributions to a reserve for replacement account maintained by management; intended to be used to fund replacement of furniture and equipment, pay for building improvements. Other reserve accounts are used to negate operating deficits. The Regulatory Agreement contains provisions enabling Organization to borrow from these funds to cover normal operating expenses in certain situations. Following is a summary of the reserve account balances as of December 31, 2024 and 2023:

<u>Bank Name</u>	<u>2024</u>	<u>2023</u>
PNC Bank *	\$ 69,090	\$ 19,391
Bernstein Investments **	707,248	715,235
JP Morgan Chase Bank	1,618	1,618
5th 3rd Bank	17,911	-
CitiBank	1,612	-
GN Bank	90,697	90,672
	<u>                    </u>	<u>                    </u>
Total Reserves	<u>\$ 888,176</u>	<u>\$ 826,916</u>

**\* Reserve for Replacement** – There are two (2) accounts at PNC Bank, one (1) account represents an operating reserve account and the other is a Reserve for Replacement account. Under the terms of the regulatory agreement, the project is required to make monthly deposits to a reserve for replacement account maintained by management. Reserve for Replacement required monthly deposits, of \$6,230 per month or \$74,760 per annum, are intended to be used to fund replacement of furniture and equipment, major repairs and to pay for building improvements. As of December 31, 2024, the Reserve for Replacement required deposits was \$49,840, which is under funded by \$24,920 or 33%, **please refer to separate Management Letter**. The following is a reconciliation of the Reserve for Replacement account as of December 31, 2024, and 2023:

	<u>2024</u>	<u>2023</u>
Balance, at beginning of year	\$ 17,440	\$ 104,802
Interest Income	2	5
Required contributions	49,840	37,380
Withdrawals	-	(124,697)
Service Charges	-	(50)
Balance, at end of year	<u>\$ 67,282</u>	<u>\$ 17,440</u>

**\*\* Bernstein Investments** - Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included as part of investment income in the change in net assets. Investments that are held in brokerage accounts are protected by the SIPC in the event of broker-dealer failure, up to \$500,000 of protection for each brokerage account with a limit of \$250,000 for claims of un-invested cash balances. The insurance does not protect against market losses on investments. The 2024 and 2023 totals are as follows:

<u>Asset Class</u>	<u>2024</u>	<u>2023</u>
Cash	\$ 5,042	\$ 3,771.00
Money Market Funds	245,133	308,464
US Equities	223,423	191,058
International Equities	<u>233,650</u>	<u>211,942</u>
	<u>\$ 707,248</u>	<u>\$ 715,235</u>

The investments consist of cash and marketable securities and are presented in the financial statements at fair value based on quoted prices in active markets. Refer to Note A-10 for additional information on Alliance Bernstein Investments (marketable securities) and fair value measurements.

## 10. FAIR VALUE MEASUREMENTS

Fair value is defined as “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.”

A hierarchy has been established to prioritize the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). Observable inputs are those that market participants would use in pricing the asset based on market data obtained from sources independent of The Renaissance Collaborative, Inc., and Affiliates. Unobservable inputs reflect The Renaissance Collaborative, Inc.’s assumption about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The fair value hierarchy is categorized into three levels based on the inputs, as follows:

- Level 1—Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date. All the investments held at Alliance Bernstein are included in Level 1 Fair Value Measurements.
- Level 2—Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market

data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads, and yield curves.

- Level 3—Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect The Renaissance Collaborative, Inc., and Affiliates best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date. The totals as of December 31, 2024, and 2023 are as follows:

2024		Quoted Market	Significant Other	Significant
Description	Total	Price for Assets	Observable Inputs	Unobservable Inputs
		(Level 1)	(Level 2)	(Level 3)
Marketable Securities	\$ 707,248	\$ 707,248	\$ -	\$ -

2023		Quoted Market	Significant Other	Significant
Description	Total	Price for Assets	Observable Inputs	Unobservable Inputs
		(Level 1)	(Level 2)	(Level 3)
Marketable Securities	\$ 715,235	\$ 715,235	\$ -	\$ -

Investment income related to these investments is included with revenues and gains on the consolidated statements of activities and was comprised of the following for the years ended December 31, 2024, and 2023:

	2024	2023
Interest and dividend income	\$ 36	\$ 83
Unrealized (loss) gain	74,522	112,460
Totals	\$ 74,558	\$ 112,543

## 11. TENANT SECURITY DEPOSITS

The Renaissance Collaborative, Inc., and Affiliates collects a refundable security deposit from its tenants upon move-in to cover cleaning and damage expenses that may be incurred by the tenant upon the tenant leaving the residence. Upon receipt of deposit funds, The Organization transfers them to a separate interest-bearing account at a local bank. The Regulatory Agreement requires the amount of funds on deposit in the tenant deposit account to equal or exceed the liability to tenants for refundable deposits. As of December 31, 2024, and 2023, the tenant security deposits are as follows:

	2024	2023
Tenant security deposits in bank	\$ 17,911	\$ 17,661
Tenant security deposits (contra)	(16,550)	(16,367)
Amount (under) over funded	\$ 1,361	\$ 1,294

## 12. PROPERTY AND EQUIPMENT

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed on a straight-line basis ranging from three (3) to forty (40) years.

Per the Organization's property and equipment policy, items purchased costing \$1,000 or more per unit and has a useful life on one year or more is capitalized, and the straight-line method of depreciation is used over its estimated life.

All capital assets purchased with grant or other restricted funds will be cataloged. The Renaissance Collaborative Inc., and Affiliate's equipment and leasehold improvements are summarized as follows:

<u>Property Description</u>	<u>Estimated Useful Lives</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Accumulated Amortization</u>	<u>Book Value</u>
Land	N/A	\$ 49,631	\$ -	\$ -	\$ 49,631
Building & Improvements	17-32	10,333,884	8,943,809	-	1,390,075
RAD2-Construction in Progress		5,101,663	-	-	5,101,663
Furniture & Fixtures	5.0	531,559	375,238	-	156,321
Equipment	5-10	81,877	61,914	-	19,963
Other	N/A	42,000	-	-	42,000
Y Historic Preservation- Construction in Progress		55,197	-	-	55,197
AIV-Construction in Progress Development/Loan	32-39	451,084 398,806	- -	- 23,080	451,084 375,726
Total Property and Equipment		<u>\$ 17,045,701</u>	<u>\$ 9,380,961</u>	<u>\$ 23,080</u>	<u>\$ 7,641,660</u>

Depreciation/amortization expense for the years ended December 31, 2024, and 2023 are \$351,657 and \$369,095, respectively.

### 13. RENT INCREASES

Under the Regulatory Agreement, the Project may not increase rents charged to tenants without prior City of Chicago – Department of Housing approval.

### 14. INCOME TAX STATUS

The Renaissance Collaborative, Inc. and Renaissance Partners, LTD., are exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code. However, income from certain activities not directly related to The Renaissance Collaborative, Inc.'s and Renaissance Partners, LTD's tax-exempt purpose is subject to taxation as unrelated business income. During the 2024 and 2023 calendar years, there was no unrelated business income. Accordingly, no provision for income taxes has been calculated and recorded. In addition, The Renaissance Collaborative Inc. and Renaissance Partners, LTD., qualifies for the charitable contribution deduction under Section 170(b) (1) (A) and has been classified as an organization that is not a private foundation under Section 509(a) (2).

#### Uncertainty Income Tax Position

Management believes that all the positions taken by the Organization in its Federal and State Income tax returns are more likely than not to be sustained upon examination. The Organization files returns in the U.S. Federal Jurisdiction and Illinois Attorney's General Office.

### 15. PRIOR PERIOD ADJUSTMENTS

There were no prior period adjustments in net assets and partners' capital for years ended December 31, 2024. Prior period adjustment in 2023 resulted from corrections to property and equipment balances from prior year. Although there was a significant changes to net assets and partners' capital in relation to the respective entities, in 2023, management decided that a restatement of prior year financial statements was not necessary. Net increase/decrease as of December 31, 2024, and 2023 are \$-0- and \$(11,981) respectively.

### 16. ADVERTISING

The Organization's expenses advertising costs in the year it is incurred. Advertising expenses for the years ended December 31, 2024, and 2023 were \$-0- and \$-0-, respectively.

## 17. EMPLOYEE BENEFIT PLAN

The Organization offers a contributory retirement-savings plan under Section 403(b) of the Internal Revenue Code which is available to all employees who have attained certain service requirements. Contributions made to the plan are entrusted to ADP retirement services which provide investment consultation and administration. Contributions made to the plan, including employee and employer contributions, employer contributions are limited to 3% of the employee's years end compensation. Employees must be employed during the time of funding to receive the 3% match. For the years ended December 31, 2024, and 2023 employer contributions made to the plan were \$-0- and \$-0-, respectively.

## 18. TENANTS AND OTHER ACCOUNTS RECEIVABLES

Receivables for the years ended December 31, 2024, and 2023 are amounts due from various tenants and other various sources. After an internal assessment of the tenant ledger accounts that are over one month in arrears and all efforts to collect have been exhausted, the Organization deems the balances uncollectible and writes it off to credit losses expense. The Organization deems receivables to be 75% collectible based upon historical data and due to collections being unpredictable, the Organization did not calculate or record an allowance for credit losses. Total credit losses for the years ended December 31, 2024, and 2023 were \$-0- and \$-0-, respectively.

There is no major concentration of credit risk in receivables as The Renaissance Collaborative, Inc., and Affiliates has funds due from multiple sources. The total accounts and grants receivable balances for the years ended December 31, 2024, and 2023, were \$721,146 and \$501,829, respectively.

## 19. DONATED GOODS AND SERVICES

In accordance with the requirements of Statement of Financial Accounting Standards (SFAS) No. 116, Accounting for Contributions Received and Contributions Made, donated goods and services are reflected as contributions in the financial statements at fair value. For the years ended December 31, 2024, and 2023, the Organization received In-Kind services totaling \$-0- and \$-0-, respectively.

## 20. LEASE ACCOUNTING

Effective January 1, 2022, the Organization adopted *FASB ASU 2016-02 (Topic 842) – Leases*, and elected the package of practical expedients permitted under the transition guidance within the new standard, which includes relief from determination of lease contracts included in existing or expiring leases at the point of adoption, relief from having to reevaluate the classification of leases in effect at the point of adoption, and relief from reevaluation of existing leases that have initial direct costs associated with the execution of the lease contract. The Organization also elected to adopt the practical expedient to use hindsight to determine the lease term and assess the impairment of the right of use assets.

Management of The Renaissance Collaborative, Inc., and affiliates, determines if an arrangement contains a lease at inception based on whether the organization has the right to control the assets during the contract period and other facts and circumstances. The new standard establishes a right of use (ROU) model that requires a lessee to record an ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. Leases with a term of less than 12 months will not record a right of use asset and lease liability and the payments will be recognized into profit or loss on a straight-line basis over the lease term.

On March 24, 2023, the Organization entered into a new lease agreement with C.D.S. Office Systems Incorporated, for the lease of a new copier machine. The term of the lease is five (5) years, paying \$334 per month, commencing on July 17, 2023. The lease agreement contains a one (1) dollar, end of the lease purchase option and no renewal option. The lease agreement qualifies under *FASB ASU 2016-02 (Topic 842)*, thus, management has implemented the new lease accounting procedures. Right of Use Asset is summarized as follows:

<u>Property Description</u>	<u>Useful Life</u>	<u>Cost</u>	<u>Amortization</u>	<u>Value</u>
ROU-Copier Machine	5	<u>\$ 19,870</u>	<u>\$ 6,960</u>	<u>\$ 12,910</u>

Amortization expense for the years ended December 31, 2024 and 2023 are \$3,637 and \$14,796, respectively. Refer to Notes A-20 and B-10, for additional information.

## **NOTE B - COMMITMENTS AND OBLIGATIONS**

### **1. MORTGAGE NOTE**

On June 29, 1999, the City of Chicago made a loan to The Renaissance Collaborative, Inc's affiliate, Renaissance Partners, Ltd. totaling \$7,168,618 (the "Loan"). The Loan was evidenced by two notes: (i) a note in the amount of \$4,168,618 (the "DOH Note") and (ii) a note in the amount of \$3,000,000 (the "EZ Note"). The DOH Note was funded with HOME funds, Multi-Program Funds and SHP Funds; the EZ Note was funded with Empowerment Zone Funds. The loan funds were used in connection with an affordable housing project. As is customary in these details, the Loan is termed a "soft" source, meaning that it has terms that are more favorable to the borrower than those that would be available for a commercial lender. In this case, the "soft" terms of the Note include a zero percent (0%) annual percentage rate, a 32-year term and principal payments that are only required if, (a) there is rental subsidy received or (b) there is sufficient cash flow.

On April 19, 2023, The Renaissance Collaborative, Inc.'s affiliate, Renaissance Partners, Ltd., entered into an agreement with City of Chicago to rehabilitate an existing structure located at 3745-63 South Wabash Avenue, Chicago, Illinois. The agreement has multiple components; restructure the existing multi-family loan (DOH Note) and Empowerment Zone (EZ Note), in a manner that (1) will not alter the principal balance of the DOH loan and EZ loan, (2) will not alter the interest rate on the principal balance of the DOH loan and EZ loan, (3) will extend the maturity date of the DOH loan and EZ loan, to June 2053 and (4) may modify certain repayment terms of the DOH loan and EZ loan.

### **2. CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS**

The Renaissance Collaborative, Inc., and Affiliates' main asset is the Apartment building. The Organizations operations are concentrated in the public housing real estate market. In addition, TRC operates in a heavily regulated environment. The operations of Organization are subject to the administrative directives, rules, and regulations of federal, state, and local regulatory agencies, including but not limited to City of Chicago. Such administrative directives, rules and regulations are subject to change by an Act of the City Council of the City of Chicago or an Act of Congress. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with change.

### **3. RELATED PARTY TRANSACTIONS**

The Renaissance Collaborative Inc., and Affiliates is responsible for management of a HUD regulated housing Project named TRC Senior Village 1, NFP (commonly known as the Project) and has transferred funds and/or loaned funds to TRC Senior Village 1, NFP on various occasions in prior years and the current year. The transfer and/or loan from the management company to the Project are the result of delayed funding from HUD to pay operating expenses. The management company and the Project entered into a Promissory Note that stipulates the terms of the transactions. Related party transactions consist mainly of loans from the Organization to other related parties and are classified as loans receivables. Also, refer to **Note B-6** on page 22 for additional information concerning inter-organizational transactions.

In July 2009, The Renaissance Collaborative, Inc., and Affiliates entered into a property/asset management agreement with TRC Senior Village 1, NFP (commonly known as the Project). Pursuant to the agreement, the Project is obligated to pay The Renaissance Collaborative, Inc. a monthly management fee of 10% of monthly gross income effective August 21, 2014. During the years ended December 31, 2024, and 2023, The Renaissance Collaborative, Inc., earned and was paid \$129,192 and \$127,068 respectively, under this agreement.

The Renaissance Collaborative, Inc., also has ownership in its affiliate, The Renaissance Partnership, LTD., totaling \$1,883,343.

**4. CONCENTRATION OF CREDIT RISK ARISING FROM CASH DEPOSITS & INVESTMENTS IN EXCESS OF INSURED LIMITS**

The Renaissance Collaborative, Inc., and Affiliates maintains its cash and investment accounts in various local banks throughout the City of Chicago and surrounding areas. Investment account amounts up to \$500,000 are guaranteed by the Securities Investor Protection Corporation (SIPC). A summary of the insured and uninsured securities investments balances is as follows:

<u>Bank</u>	<u>SIPC Insured</u>	<u>Uninsured</u>	<u>Fair Market Value</u>
Bernstein Investments	<u>\$ 500,000</u>	<u>\$ 207,248</u>	<u>\$ 707,248</u>

The Organization's investments objectives are capital appreciation, income and aggressive income that provide a high level of current income.

Furthermore, cash checking and savings account balances amounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC), insures deposits of up to \$250,000 per depositor. A summary of the insured and uninsured balances for the year ended December 31, 2024, are as follows:

<u>Bank</u>	<u>FDIC Insured</u>	<u>Uninsured</u>	<u>Totals</u>
Citibank	\$ 1,612	\$ -	\$ 1,612
JP Morgan Chase Bank	75,477	-	75,477
PNC Bank	69,090	-	69,090
Fifth Third Bank	12,738	-	12,738
GN Bank	90,697	-	90,697
South Side Community Bank	<u>4,002</u>	<u>-</u>	<u>4,002</u>
Total	<u>\$ 253,616</u>	<u>\$ -</u>	<u>\$ 253,616</u>

**5. OTHER SECURITY DEPOSIT – SPACE**

The Renaissance Collaborative, Inc., and Affiliates (lessor) entered into a lease agreement with Center for New Horizons, Inc., (lessee), effective July 1, 2021. The terms of the lease agreement is a one (1) year agreement in which Center for New Horizons, Inc.- lease agrees to pay \$4,000 as a security deposit and a fixed amount of \$4,200 per month. The lease expired on June 30, 2022, in which, upon expiration of the lease, the tenancy shall continue on a month-to-month or "Tenancy at Will", basis unless the Landlord gives notice for the tenant to vacate.

**6. CORPORATE RECEIVABLE/PAYABLE**

Corporate receivable/payable represent cash transfers from The Renaissance Collaborative, Inc. to The Renaissance Partners, Ltd. for operational costs the partnership incurs during daily operations such as payroll and Bronzeville Green landscaping expenses. Management expects funds to be transferred back to The Renaissance Collaborative, Inc. when funds are available. Please refer to **Note B-3**, on page 20, for additional information. A summary of loans receivable as of December 31, 2024, and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Corporate Receivable	\$ 9,383	\$ 9,383
Corporate Payable	<u>(166,695)</u>	<u>(166,695)</u>
Total Related Party Transactions	<u>\$ (157,312)</u>	<u>\$ (157,312)</u>

## 7. BERNSTEIN – INVESTMENT LOAN

The Renaissance Collaborative, Inc., and Affiliates maintains a margin balance of \$150,000 at Alliance Bernstein, LP. The Organization's investment account will be charged interest based on the average margin balance over the interest period; interest rate may change without notice and is based on commercially recognized interest rates, set at Alliance Bernstein LP's discretion. The margin balance in the investment account as of December 31, 2024 and 2023 was negative, which represents what is owed to the brokerage.

## 8. LEASE COMMITMENTS

### Finance Lease

The Renaissance Collaborative, Inc., and Affiliates, entered into a finance lease for copier machine. The terms of the lease are a five (5) year lease commencing on July 17, 2023, in which the Organization pays \$334.00 per month. The lease agreement does not contain a renewal option but does contain an end of lease purchase option totaling one (1) dollar. Since the office lease agreement does not have an implicit interest rate, and an incremental borrowing rate is not applicable, a 4.02% risk-free rate of return was used to determine the lease obligation/ asset amount. Annualized lease schedule is as follows:

<u>December 31,</u>	
2025	3,553
2026	3,698
2027	3,850
2028	<u>1,984</u>
Total	<u>\$ 13,085</u>

## 9. SUBSEQUENT EVENTS

Per the City of Chicago financial assistance ordinance date April 19, 2023, Renaissance Partners, Ltd., entered into two (2) loan agreements to further the RAD2 project. The Organization agreed on a loan from Chicago Community Loan Fund totaling \$563,000 for a term of thirty-six 36 months with a 4.75% interest rate per annum. First mortgage on the property, to be replaced with senior permanent loan facility upon construction completion.



**RAGLAND, ARNOLD, BUCHANAN,  
MORRIS & ASSOCIATES, LLC**  
Certified Public Accountants and Management Consultants

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors of  
The Renaissance Collaborative, Inc., and Affiliates  
Chicago, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of The Renaissance Collaborative, Inc., and Affiliates which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, and the related consolidated notes to the financial statements, and have issued our report thereon dated December 31, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered The Renaissance Collaborative, Inc., and Affiliates internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Renaissance Collaborative, Inc., and Affiliates internal control. Accordingly, we do not express an opinion on the effectiveness of The Renaissance Collaborative, Inc., and Affiliates' internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

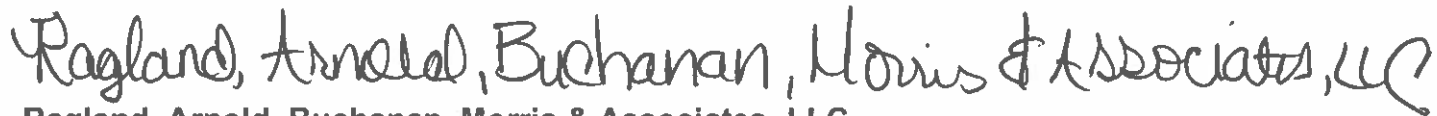
**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether The Renaissance Collaborative, Inc., and Affiliates consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of consolidated financial statement amounts. However, providing an opinion on compliance with those provisions was not the objective of our audit, and accordingly, we do not express such an opinion.

We also noted a certain matter that we reported to management of The Renaissance Collaborative, Inc., and Affiliates in a separate letter dated January 6, 2026.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**Ragland, Arnold, Buchanan, Morris & Associates, LLC**  
Certified Public Accountants

Evergreen Park, Illinois  
January 6, 2026

**THE RENAISSANCE COLLABORATIVE, INC., AND AFFILIATES**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS**  
**YEAR ENDED DECEMBER 31, 2024**

No findings reported in calendar year 2023.

**THE RENAISSANCE COLLABORATIVE, INC., AND AFFILIATES**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**YEAR ENDED DECEMBER 31, 2024**

**SECTION I - SUMMARY OF AUDITORS' RESULTS**

***Consolidated Financial Statements***

Type of auditor's report issued:	UNMODIFIED	
Internal control over financial reporting:		
Material weakness(es) identified?	_____yes	___X___no
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	_____yes	___X___no
Noncompliance material to consolidated financial statements noted?	_____yes	___X___no

**SECTION II – CONSOLIDATED FINANCIAL STATEMENT FINDINGS**

No Consolidated Financial Statement Findings were noted for the year ended December 31, 2024.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No Federal Award Finding and Questioned Costs were noted for the year ended December 31, 2024.