

**OUR SAVIOUR'S COMMUNITY
SERVICES**

FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2018 AND 2017

OUR SAVIOUR'S COMMUNITY SERVICES

FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2018 AND 2017

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Our Saviour's Community Services
Minneapolis, Minnesota

We have audited the accompanying financial statements of Our Saviour's Community Services, which comprise the statement of financial position as of March 31, 2018, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Accordingly, 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 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 financial statements referred to above present fairly, in all material respects, the financial position of Our Saviour's Community Services as of March 31, 2018, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Our Saviour's Community Services March 31, 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 28, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Casey, Menden, Faust & Nelson, P.A.

August 8, 2018

OUR SAVIOUR'S COMMUNITY SERVICES

STATEMENTS OF FINANCIAL POSITION

MARCH 31, 2018 AND 2017

	2018			2017	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total (Summarized)
<u>ASSETS</u>					
Current assets:					
Cash and savings	\$ 31,199	\$ -	\$ -	\$ 31,199	\$ 29,168
Grants and pledges receivable	62,942	-	-	62,942	72,286
Prepaid expenses	17,549	-	-	17,549	14,312
Total current assets	111,690	-	-	111,690	115,766
Property and equipment:					
Housing	521,840	328,587	-	850,427	850,427
Vehicles	22,175	-	-	22,175	22,175
Furniture and equipment	77,721	-	-	77,721	34,838
	621,736	328,587	-	950,323	907,440
Less accumulated depreciation	347,403	62,232	-	409,635	359,031
Total property and equipment	274,333	266,355	-	540,688	548,409
Total assets	<u>\$ 386,023</u>	<u>\$ 266,355</u>	<u>\$ -</u>	<u>\$ 652,378</u>	<u>\$ 664,175</u>

The accompanying notes are an integral part of these financial statements

OUR SAVIOUR'S COMMUNITY SERVICES

STATEMENTS OF FINANCIAL POSITION

MARCH 31, 2018 AND 2017

	2018			2017	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total (Summarized)
<u>LIABILITIES AND NET ASSETS</u>					
Current liabilities:					
Accounts payable	\$ 89,894	\$ -	\$ -	\$ 89,894	\$ 32,150
Deferred revenue	1,502	-	-	1,502	27,719
Accrued expenses:					
Payroll and related	75,245	-	-	75,245	64,848
Participation fees	1,400	-	-	1,400	3,000
Current portion of notes payable	8,912	-	-	8,912	8,437
Current portion of notes payable - transitional housing	4,115	-	-	4,115	4,115
Current portion of capital leases	8,199	-	-	8,199	-
Total current liabilities	189,267	-	-	189,267	140,269
Long-term liabilities:					
Notes payable, net of current maturities	53,239	-	-	53,239	62,146
Notes payable - transitional housing, net of current maturities	13,380	-	-	13,380	17,495
Capital leases, net of current portion	27,989	-	-	27,989	-
Total long - term liabilities	94,608	-	-	94,608	79,641
Total liabilities	283,875	-	-	283,875	219,910
Net assets	102,148	266,355	-	368,503	444,265
Total liabilities and net assets	<u>\$ 386,023</u>	<u>\$ 266,355</u>	<u>\$ -</u>	<u>\$ 652,378</u>	<u>\$ 664,175</u>

The accompanying notes are an integral part of these financial statements

OUR SAVIOUR'S COMMUNITY SERVICES

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

YEARS ENDED MARCH 31, 2018 AND 2017

	2018			2017	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total (Summarized)
Revenues:					
Contributions	\$ 398,561	\$ -	\$ -	\$ 398,561	\$ 329,245
Government grants	2,104,850	-	-	2,104,850	2,009,632
Rent income	23,478	-	-	23,478	35,155
Transitional housing debt forgiveness	4,115	-	-	4,115	4,115
Other income	60,425	19,627	-	80,052	71,003
Interest income	15	-	-	15	12
In-kind contributions	440,707	-	-	440,707	298,608
Net assets released from restrictions	29,584	(29,584)	-	-	-
Total revenues	3,061,735	(9,957)	-	3,051,778	2,747,770
Expenses:					
Program services	2,986,992	-	-	2,986,992	2,646,684
Management and general	75,663	-	-	75,663	75,690
Fundraising	64,885	-	-	64,885	66,305
Total expenses	3,127,540	-	-	3,127,540	2,788,679
Change in net assets	(65,805)	(9,957)	-	(75,762)	(40,909)
Net assets:					
Beginning of year	167,953	276,312	-	444,265	485,174
End of year	\$ 102,148	\$ 266,355	\$ -	\$ 368,503	\$ 444,265

The accompanying notes are an integral part of these financial statements

OUR SAVIOUR'S COMMUNITY SERVICES

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED MARCH 31, 2018 AND 2017

	2018					2017	
	English Learning Center (ELC)	Our Saviour's Housing (OSH)	Total Program	General and Administrative	Fundraising	Total	Total (Summarized)
Expenses:							
Salary and wages	\$ 230,022	\$ 725,643	\$ 955,665	\$ 50,671	\$ 38,887	\$ 1,045,223	\$ 962,499
Workers compensation insurance	3,092	10,328	13,420	879	733	15,032	16,649
Payroll taxes	22,095	68,050	90,145	2,969	2,473	95,587	88,068
Employee benefits	14,598	69,832	84,430	7,378	3,374	95,182	95,011
Other staff expenses	808	3,569	4,377	238	142	4,757	5,597
Communications	1,759	7,818	9,577	1,064	12,044	22,685	20,897
Computer repairs and related	596	449	1,045	58	58	1,161	2,930
Copier lease and maintenance	2,943	490	3,433	490	981	4,904	14,487
Depreciation expense	5,720	46,100	51,820	261	216	52,297	44,825
Indirect operating expenses	4,107	16,913	21,020	870	786	22,676	14,123
Insurance expense	623	3,329	3,952	699	698	5,349	8,268
Occupancy and related	13,513	74,246	87,759	1,341	1,098	90,198	88,812
Professional fees	-	-	-	5,349	-	5,349	5,226
Program expenses	42,188	1,150,287	1,192,475	-	-	1,192,475	1,089,896
Volunteer instructors	356,692	-	356,692	-	-	356,692	218,090
Donated meals	-	84,015	84,015	-	-	84,015	80,518
Telecommunications	4,940	22,227	27,167	3,396	3,395	33,958	32,783
Total expenses	\$ 703,696	\$ 2,283,296	\$ 2,986,992	\$ 75,663	\$ 64,885	\$ 3,127,540	\$ 2,788,679

The accompanying notes are an integral part of these financial statements

OUR SAVIOUR'S COMMUNITY SERVICES

STATEMENTS OF CASH FLOWS

YEARS ENDED MARCH 31, 2018 AND 2017

	2018	2017 (Summarized)
Cash flows from operating activities:		
Contributions and grants	\$ 2,590,068	\$ 2,446,489
Interest received	15	12
Interest paid	(4,182)	(4,182)
Program, administrative and fundraising services	(2,567,050)	(2,429,727)
Net cash flows from operating activities	18,851	12,592
Cash flows from investing activities:		
Purchase of fixed assets	(1,239)	(11,854)
Cash flows from financing activities:		
Principal payments notes payable	(8,432)	(8,011)
Principal payments on capital leases	(7,149)	-
Net cash flows from financing activities	(15,581)	(8,011)
Net change in cash and cash equivalents	2,031	(7,273)
Cash and cash equivalents:		
Beginning of year	29,168	36,441
End of year	\$ 31,199	\$ 29,168
Reconciliation of change in net assets to net cash from operating activities:		
Change in net assets	\$ (75,762)	\$ (40,909)
Depreciation	52,297	44,825
Transitional housing debt forgiveness	(4,115)	(4,115)
Grants and pledges receivable	9,344	(26,265)
Prepaid expenses	(3,237)	2,874
Accounts payable	57,744	(3,495)
Deferred revenue	(26,217)	27,719
Accrued expenses	8,797	11,958
Net cash from operating activities	\$ 18,851	\$ 12,592

The accompanying notes are an integral part of these financial statements

OUR SAVIOUR'S COMMUNITY SERVICES

NOTES OF FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2018 AND 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND SIGNIFICANT OTHER INFORMATION

Organization

Our Saviour's Community Services (OSCS) is a non-profit organization incorporated under the laws of the State of Minnesota on December 1, 2004. The primary activities of OSCS are:

English Learning Center (ELC)

ELC provides basic instruction in English and math for adult immigrants and refugees new to this community. Computer classes and citizenship classes are also made available to students enrolled in the program. This program offers free classes year-round, morning and evening four days each week. Volunteers are recruited, trained and supported as they provide the classroom instruction for students.

Our Saviour's Housing (OSH)

OSH provides emergency shelter, transitional housing and permanent supportive housing for single adults who are homeless. Supportive case management services are also made available to residents who participate in these programs. This program offers year-round housing to participants. Volunteers and volunteer groups are recruited to provide the meals that are served in the emergency shelter.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

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

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

(Continued)

OUR SAVIOUR'S COMMUNITY SERVICES

NOTES OF FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2018 AND 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND SIGNIFICANT OTHER INFORMATION (Continued)

Basis of Presentation (Continued)

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

Comparative Financial Statements

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. 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 Our Saviour's Community Services' financial statements for the year ended March 31, 2017, from which the summarized information was derived.

Revenue Recognition

Contributions are recorded as received or unconditionally pledged. All contributions are available for unrestricted use unless specifically restricted by the donor. Service revenues are recorded as earned. Amounts received in advance of revenue recognition are recorded as deferred revenue. Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Long-Lived Assets

In accordance with ASC 360-10: Accounting for The Impairment of Long-Lived Assets and For Long-Lived Assets to Be Disposed Of, the Organization reviews its long-lived assets and intangibles related to those assets periodically to determine potential impairment by comparing the carrying value of the long-lived assets outstanding with estimated future cash flows expected to result from the use of the assets, including cash flows from disposition. Should the sum of the expected future cash flows be less than the carrying value, the Organization would recognize an impairment loss. An impairment loss would be measured by comparing the amount by which the carrying value exceeds the fair value of the long-lived assets and intangibles. Management determined that no impairment of long-lived assets existed in 2018 and 2017.

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OUR SAVIOUR'S COMMUNITY SERVICES

NOTES OF FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2018 AND 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND SIGNIFICANT OTHER INFORMATION (Continued)

Concentrations, Risks and Uncertainties

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Grants, Pledges and Service Fee Receivables

Management believes all grants, pledges and service fee receivables are collectible, and accordingly, has not recorded an allowance for doubtful accounts. This determination was based on a number of factors including: a review of the receivables; ability to pay; past collection history; and existing economic conditions. While the ultimate loss may differ, management believes that any loss will not have a material impact on the Organization's financial position. Due to uncertainties in collection process, however, it is reasonable that management's estimate of the outcome may change during the next year. That amount cannot be estimated.

All grants and pledges receivable are due within one year.

78% of accounts receivable at March 31, 2018 were due from the State of Minnesota. 28% of accounts receivable at March 31, 2017 were due from the State of Minnesota. 62% of accounts receivable at March 31, 2017 was from Minneapolis Public Schools.

Concentration of Risk

In 2018, sixty percent (60%) of OSCS's cash revenues were provided through grants and purchase of service agreements with the State of Minnesota. In 2018 ten percent (10%) of OSCS's cash revenues were provided through a purchase of service agreement with Minneapolis Public Schools. In 2017, sixty-three percent (63%) of OSCS's cash revenues were provided through grants and purchase of service agreements with the State of Minnesota.

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OUR SAVIOUR'S COMMUNITY SERVICES

NOTES OF FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2018 AND 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND SIGNIFICANT OTHER INFORMATION (Continued)

Concentrations, Risks and Uncertainties (Continued)

Legal Matters

The Organization is involved in a legal matter at March 31, 2018. The Organization feels the fact pattern supports their position and that the Organization will prevail in this matter. Due to uncertainties in the process, however, it is reasonable that management's estimate of the outcome may change during the next year. That amount cannot be estimated.

Income Taxes

The activities of the Organization are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Organization has reviewed for uncertain tax positions and feels there are none. Federal and state taxing authorities generally have the right to examine returns for three years from the date of filing. Any interest or penalties incurred by the Organization would be included in operating expenses in the accompanying financial statements. No interest or penalties are reflected in the 2018 or 2017 financial statements.

Cash Equivalents

For purposes of the statement of cash flows, the OSCS considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. At March 31, 2018 and 2017, OSCS had no cash equivalents.

Property and Equipment

OSCS's policy is to capitalize fixed asset additions greater than \$500. Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and the resulting gain or loss is recognized in income for the period. The cost of maintenance and repairs is expensed as incurred; significant renewals and betterments are capitalized. Deduction is made for retirements resulting from renewals or betterments.

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OUR SAVIOUR'S COMMUNITY SERVICES

NOTES OF FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2018 AND 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND SIGNIFICANT OTHER INFORMATION (Continued)

Property and Equipment (Continued)

A summary of property and equipment is as follows:

	<u>2018</u>	<u>2017</u> (Summarized)	<u>Useful Lives</u>
Housing	\$ 850,427	\$ 850,427	10 to 40
Vehicles	22,175	22,175	10
Furniture and equipment	<u>77,721</u>	<u>34,838</u>	3 to 7
	<u>\$ 950,323</u>	<u>\$ 907,440</u>	

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of revenue, expenses and changes in fund balance. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

Reclassifications

Certain reclassifications have been made to 2017 to confirm to the 2018 presentation. These reclassifications had no effect on the change in net assets.

Donated Goods and Services

The programs of Our Saviour's Community Services are enriched by the time and talents of many dedicated community volunteers. Two of OSCS's program areas would be substantially diminished or nonexistent without donated goods and services:

The English Learning Center programs are taught entirely by trained volunteer instructors. In fiscal year 2018, volunteer instructors contributed 12,933 hours of their time teaching in the OSCS's classrooms. In fiscal year 2017, volunteer instructors contributed 8,261 hours of their time teaching in the OSCS's classrooms. Volunteer instructor services were valued at \$27.58 per hour in 2018 and \$26.40 per hour in 2017 based on research performed by Independent Sector, a nonprofit organization performing research on giving and volunteering in the United States of America.

(Continued)

OUR SAVIOUR'S COMMUNITY SERVICES

NOTES OF FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2018 AND 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND SIGNIFICANT OTHER INFORMATION (Continued)

Donated Goods and Services (Continued)

The Emergency Shelter at Our Saviour's Housing is served by a wide variety of community volunteer groups who purchase, prepare and serve the evening meal to shelter residents each night of the year. These groups vary widely in their size and composition; sometimes several adults are responsible for the meal and sometimes the groups consist of adults and youth. Each group prepares food for a minimum of 40 persons each night. Donated meals are valued in the accompanying financial statements at \$5.48 per meal in 2018 and \$5.51 per meal in 2017.

NOTE 2 - NOTES PAYABLE

A summary of notes payable is as follows:

	<u>2018</u>	<u>2017</u> (Summarized)
Note payable to Mission Investment Fund in monthly payments of \$1,009 including interest at 5.50% per annum, through May 2024, unsecured.	\$ 62,151	\$ 70,583
Less current maturities	<u>8,912</u>	<u>8,437</u>
Long-term debt	<u>\$ 53,239</u>	<u>\$ 62,146</u>

Future maturities on this obligation are as follows:

<u>Year ending March 31,</u>	
2019	\$ 8,912
2020	9,415
2021	9,946
2022	10,507
2023	11,100
Thereafter	<u>12,271</u>
	<u>\$ 62,151</u>

(Continued)

OUR SAVIOUR'S COMMUNITY SERVICES

NOTES OF FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2018 AND 2017

NOTE 3 - NOTES PAYABLE – TRANSITIONAL HOUSING

OSCS is indebted to the Minnesota Housing Finance Agency for notes on its transitional housing unit. These notes are secured by 2309 Chicago Avenue and provide for forgiveness of indebtedness on anniversary dates of the obligations provided OSCS continues to comply with the terms of the agreements. If OSCS does not comply with the terms of the agreements all amounts are immediately due and payable to the Minnesota Housing Finance Agency. Future scheduled debt forgiveness on these obligations is as follows:

<u>Year ending March 31,</u>	
2019	\$ 4,115
2020	4,115
2021	4,115
2022	1,288
2023	1,288
Thereafter	<u>2,574</u>
	<u>\$ 17,495</u>

NOTE 4 – CAPITAL LEASES

The Organization leases copiers under capital lease agreements. Amortization of assets under capital leases is included in depreciation for 2018 and 2017.

The following is a summary of assets under capital lease agrees:

	<u>2018</u>	<u>2017</u>
Office equipment	\$ 42,009	(Summarized) \$ -
Less accumulated amortization	<u>7,903</u>	<u>-</u>
Net book value	<u>\$ 34,106</u>	<u>\$ -</u>

(Continued)

OUR SAVIOUR'S COMMUNITY SERVICES

NOTES OF FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2018 AND 2017

NOTE 4 – CAPITAL LEASES (Continued)

Minimum future lease payments under capital leases are as follows:

<u>Year ending March 31,</u>	
2019	\$ 9,792
2020	9,792
2021	9,792
2022	8,763
2023	1,892
Total minimum lease payments	<u>\$ 40,031</u>
Less amount representing interest	<u>\$ 3,843</u>
	\$ 36,188
Less current portion	8,199
Long-term portion	<u><u>\$ 27,989</u></u>

NOTE 5 - CITY OF MINNEAPOLIS EMERGENCY SHELTER GRANT

In 2012 the Organization received a grant through the City of Minneapolis to rehabilitate its transitional housing facility at 2309 Chicago Avenue. Rehabilitation expenditures under this grant totaled \$328,587 and were fully expended on the rehabilitation during the year. As a condition of this grant the Organization has a contingent liability to the City of Minneapolis through October 14, 2021. The Organization is depreciating the rehabilitation expenditures over the remaining 33-year useful life assigned to 2309 Chicago Avenue. During the period of the contingent liability relating to this grant the Organization is reflecting the rehabilitation expenditures, net of depreciation, as temporarily restricted in the accompanying financial statements.

NOTE 6 - OUR SAVIOUR'S LUTHERAN CHURCH

The services of OSCS grew out of the outreach programs of Our Saviour's Lutheran Church (OSLC). Amounts paid OSLC are as follows:

OSCS leases facilities from OSLC under agreements cancellable upon ninety days notice by either party. Rent expense under these agreements totaled \$25,968 in 2018 and \$25,804 in 2017.

(Continued)

OUR SAVIOUR'S COMMUNITY SERVICES

NOTES OF FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2018 AND 2017

NOTE 6 - OUR SAVIOUR'S LUTHERAN CHURCH (Continued)

Certain employee benefits of OSCS employees are paid OSLC employee benefit plans. Payments under this agreement totaled \$21,249 in 2018 and \$20,517 in 2017.

OSCS utilizes the services of OSLC's business administrator. Payments for these services totaled \$8,760 in 2018 and \$8,676 in 2017.

NOTE 7 - SUPPLEMENTAL CASH FLOW DISCLOSURES – NON-CASH ACTIVITY

In-kind contributions of donated services and meals consist of non-cash contributions. In-kind contributions totaled \$440,707 in 2018. In-kind contributions totaled \$298,608 in 2017.

MHFA forgave \$4,115 in principal on the notes payable - transitional housing during the fiscal year ended March 31, 2018. MHFA forgave \$4,115 in principal on the notes payable - transitional housing during the fiscal year ended March 31, 2017.

During the fiscal year ended March 31, 2018 the Organization acquired \$43,337 of office equipment through the incurrence of capital lease obligations.

NOTE 8 - BENEFIT PLANS

The Organization provides a tax deferred annuity plan for its employees under Section 403(b) of the Internal Revenue Code. Employer retirement plan contributions totaled \$22,536 in 2018 and \$24,751 in 2017.

NOTE 9 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through August 8, 2018 which is the date the financial statements were available to be issued.