

**VINE FAITH IN ACTION**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2018 AND 2017**



**VINE FAITH IN ACTION  
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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
VINE Faith in Action  
Mankato, Minnesota

We have audited the accompanying financial statements of VINE Faith in Action (a nonprofit organization), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities, cash flows, and functional expenses for the years 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.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 auditors' 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 Organization'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 Organization'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.

Board of Directors  
VINE Faith in Action

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of VINE Faith in Action as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Austin, Minnesota  
October 17, 2018

**VINE FAITH IN ACTION  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2018 AND 2017**

<b>ASSETS</b>	2018	2017
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 917,823	\$ 560,187
Certificates of Deposit	170,197	220,000
Receivables, Net:		
Pledges Receivable (Net of Unamortized Discount)	-	2,563
Grants Receivable	153,668	123,675
Accounts Receivable	46,354	36,839
Inventory	30,000	30,000
Prepaid Expenses	23,940	18,955
Total Current Assets	1,341,982	992,219
<b>PROPERTY AND EQUIPMENT, NET</b>	8,972,293	8,720,136
Total Assets	\$ 10,314,275	\$ 9,712,355
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 247,577	\$ 210,230
Accrued Liabilities	84,903	71,047
Deferred Revenue	212,252	230,879
Current Portion of Special Assessment Payable	492	472
Current Portion of Long-Term Debt	171,148	158,263
Total Current Liabilities	716,372	670,891
<b>LONG-TERM LIABILITIES</b>		
Special Assessment Payable, Net of Current Portion	1,315	1,807
Tenant Deposits	10,700	10,700
Long-Term Debt, Net of Current Portion	4,572,841	4,456,944
Total Long-Term Liabilities	4,584,856	4,469,451
Total Liabilities	5,301,228	5,140,342
<b>NET ASSETS</b>		
Unrestricted	4,708,496	4,402,938
Temporarily Restricted	304,551	169,075
Total Net Assets	5,013,047	4,572,013
Total Liabilities and Net Assets	\$ 10,314,275	\$ 9,712,355

See accompanying Notes to Financial Statements.

**VINE FAITH IN ACTION  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2018**

	Unrestricted	Temporarily Restricted	Total
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Contributions	\$ 91,066	\$ 177,976	\$ 269,042
Grants	1,540,265	30,000	1,570,265
Service Fees	661,573	-	661,573
Thrift Store Sales	341,956	-	341,956
Other Program Revenues	187,357	-	187,357
Special Events	94,574	-	94,574
Gain on Disposal of Assets	3,200	-	3,200
Net Assets Released from Restrictions	72,500	(72,500)	-
Total Revenues, Gains, and Other Support	2,992,491	135,476	3,127,967
<b>EXPENSES</b>			
Programs	2,201,565	-	2,201,565
Management and General	441,332	-	441,332
Fundraising and Development	44,036	-	44,036
Total Expenses	2,686,933	-	2,686,933
<b>CHANGES IN NET ASSETS</b>	305,558	135,476	441,034
Net Assets - Beginning of Year	4,402,938	169,075	4,572,013
<b>NET ASSETS - END OF YEAR</b>	\$ 4,708,496	\$ 304,551	\$ 5,013,047

See accompanying Notes to Financial Statements.



**VINE FAITH IN ACTION  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2017**

	Unrestricted	Temporarily Restricted	Total
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Contributions	\$ 113,095	\$ 154,622	\$ 267,717
Grants	1,155,870	-	1,155,870
Service Fees	526,082	-	526,082
Thrift Store Sales	354,802	-	354,802
Other Program Revenues	171,387	-	171,387
Special Events	126,161	-	126,161
Gain on Disposal of Assets	1,945	-	1,945
Net Assets Released from Restrictions	361,257	(361,257)	-
Total Revenues, Gains, and Other Support	2,810,599	(206,635)	2,603,964
<b>EXPENSES</b>			
Programs	1,774,195	-	1,774,195
Management and General	458,179	-	458,179
Fundraising and Development	57,318	-	57,318
Total Expenses	2,289,692	-	2,289,692
<b>CHANGES IN NET ASSETS</b>	520,907	(206,635)	314,272
Net Assets - Beginning of Year	3,882,031	375,710	4,257,741
<b>NET ASSETS - END OF YEAR</b>	\$ 4,402,938	\$ 169,075	\$ 4,572,013

See accompanying Notes to Financial Statements.

**VINE FAITH IN ACTION  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2018 AND 2017**

	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 441,034	\$ 314,272
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	347,025	291,913
Amortization of Debt Issuance Costs	2,903	2,903
Gain on Disposal of Assets	(3,200)	(1,945)
(Increase) Decrease in:		
Pledges Receivable	2,563	10,086
Grants Receivable	(29,993)	(32,666)
Accounts Receivable	(9,515)	(6,767)
Prepaid Expenses and Other Assets	(4,985)	(2,711)
Increase (Decrease) in:		
Accounts Payable	37,347	184,805
Accrued Liabilities	13,856	23,234
Deferred Revenue	(18,627)	82,431
Special Assessment Payable	(472)	(454)
Tenant Deposits	-	(2,300)
Net Cash Provided by Operating Activities	777,936	862,801
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property and Equipment	(599,182)	(1,135,170)
Proceeds from Sale of Property and Equipment	3,200	6,779
Investments in Certificates of Deposit	49,803	(220,000)
Payments from Note Receivable	-	216,325
Net Cash Used by Investing Activities	(546,179)	(1,132,066)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Long-Term Debt	288,917	311,083
Payments on Long-Term Debt	(163,038)	(144,294)
Debt Issuance Costs	-	(954)
Net Cash Provided by Financing Activities	125,879	165,835
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	357,636	(103,430)
Cash and Cash Equivalents - Beginning of Year	560,187	663,617
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 917,823	\$ 560,187
<b>SUPPLEMENTAL DATA</b>		
Cash Paid for Interest	\$ 197,245	\$ 181,326

See accompanying Notes to Financial Statements.

**VINE FAITH IN ACTION  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2018**

	Program Services						Management and General	Fundraising	Total
	Neighbors Helping Neighbors	Aging Well @VACC	MnDOT Transportation	Door2 Door Transportation	Home Thrift Store	Total Program Services			
<b>EXPENSES</b>									
Salaries and Wages	\$ 428,328	\$ 217,951	\$ 228,604	\$ 60,459	\$ 161,461	\$ 1,096,803	\$ 130,276	\$ 15,331	\$ 1,242,410
Payroll Taxes	30,659	14,180	14,413	7,530	11,715	78,497	10,639	904	90,040
Employee Benefits	33,579	19,730	25,405	7,675	14,531	100,920	7,329	1,210	109,459
Program Expenses	66,544	43,279	26,890	52,398	7,923	197,034	541	134	197,709
Office Expenses	20,031	33,792	21,703	2,265	2,397	80,188	7,138	8,826	96,152
Occupancy	10,593	67,105	9,492	416	17,826	105,432	69,593	-	175,025
Travel	2,959	510	1,303	455	99	5,326	103	6	5,435
Insurance	10,182	7,044	7,195	5,243	6,628	36,292	10,310	184	46,786
Telephone	4,984	4,023	2,425	1,112	2,312	14,856	1,987	216	17,059
Bad Debts	246	62	-	-	-	308	-	-	308
Licenses and Fees	3,970	653	350	152	375	5,500	140	-	5,640
Advertising and Promotion	6,431	926	36,996	-	1,583	45,936	1,121	-	47,057
Professional Fees	13,963	37,555	22,687	-	-	74,205	880	1,250	76,335
Fundraising Expenses	-	-	-	-	-	-	-	15,860	15,860
Dues and Subscriptions	748	1,893	475	-	-	3,116	3,059	115	6,290
Depreciation	24,274	144,845	24,685	16,217	15,895	225,916	121,109	-	347,025
Interest and Amortization	12,419	85,281	1,705	631	24,436	124,472	75,912	-	200,384
Continuing Education	1,205	3,337	2,022	27	28	6,619	1,143	-	7,762
Miscellaneous	139	2	-	-	4	145	52	-	197
<b>Total Expenses</b>	<b>\$ 671,254</b>	<b>\$ 682,168</b>	<b>\$ 426,350</b>	<b>\$ 154,580</b>	<b>\$ 267,213</b>	<b>\$ 2,201,565</b>	<b>\$ 441,332</b>	<b>\$ 44,036</b>	<b>\$ 2,686,933</b>

See accompanying Notes to Financial Statements.

**VINE FAITH IN ACTION  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2017**

	Program Services						Management and General	Fundraising	Total
	Neighbors Helping Neighbors	Aging Well @VACC	MnDOT Transportation	Door2 Door Transportation	Home Thrift Store	Total Program Services			
<b>EXPENSES</b>									
Salaries and Wages	\$ 426,852	\$ 174,809	\$ 204,618	\$ 27,678	\$ 153,927	\$ 987,884	\$ 118,511	\$ 14,234	\$ 1,120,629
Payroll Taxes	30,695	11,250	13,454	1,992	11,051	68,442	10,671	835	79,948
Employee Benefits	36,560	16,460	18,659	1,492	15,484	88,655	8,275	1,531	98,461
Program Expenses	58,940	35,725	26,982	35,619	8,678	165,944	498	7	166,449
Office Expenses	13,758	26,836	10,013	539	2,521	53,667	16,681	3,800	74,148
Occupancy	8,897	27,355	647	387	14,409	51,695	63,102	-	114,797
Travel	3,055	1,899	1,152	-	-	6,106	61	30	6,197
Insurance	8,189	6,355	5,299	3,052	5,012	27,907	16,531	39	44,477
Telephone	4,736	2,502	2,242	574	3,135	13,189	1,472	301	14,962
Bad Debts	89	15	-	-	-	104	-	-	104
Licenses and Fees	3,895	89	1,112	602	375	6,073	610	-	6,683
Advertising and Promotion	1,095	1,489	6,557	-	2,970	12,111	4,009	-	16,120
Professional Fees	-	-	7,524	-	-	7,524	11,806	-	19,330
Fundraising Expenses	-	-	-	-	-	-	-	36,541	36,541
Dues and Subscriptions	625	1,670	460	-	40	2,795	3,168	-	5,963
Depreciation	26,613	106,668	10,173	9,811	15,895	169,160	122,753	-	291,913
Interest and Amortization	14,041	63,485	1,513	903	25,195	105,137	79,113	-	184,250
Continuing Education	3,011	3,150	1,622	-	-	7,783	555	-	8,338
Miscellaneous	(20)	36	-	-	3	19	363	-	382
<b>Total Expenses</b>	<b>\$ 641,031</b>	<b>\$ 479,793</b>	<b>\$ 312,027</b>	<b>\$ 82,649</b>	<b>\$ 258,695</b>	<b>\$ 1,774,195</b>	<b>\$ 458,179</b>	<b>\$ 57,318</b>	<b>\$ 2,289,692</b>

See accompanying Notes to Financial Statements.

**VINE FAITH IN ACTION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018 AND 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**The Entity**

VINE Faith in Action (the Organization) is a nonprofit corporation established in 1995. The Organization “*promotes quality of life and a culture of caring, sustained by volunteerism, community engagement, and support for neighbors in need.*” The Organization provides the following major programs:

Aging Well at the VINE Adult Community Center (VACC) – Members participate in a wide array of classes, social activities, fitness related programming, and enjoy the walking track and warm water exercise pool. In addition, the Organization’s community center welcomes adult community members for support groups and educational and recreational activities.

Neighbors Helping Neighbors – 500 trained adult volunteers assist with helping aging neighbors in need with tasks necessary for continued independent living. They assist with home chores, deliver meals on wheels, provide respite care, and make friendly visits. Staff and specially trained volunteers assist refugee elders adjust to life in their new homeland through advocacy and VINE Adult Literacy Center.

Door2Door Transportation – Medical, social, and employment transportation is provided to older adults and people enrolled in publicly-funded health plans. Paid drivers and volunteers provide rides to older adults participating in Organization-sponsored programs at the Adult Community Center.

Public Transportation – Using paid drivers and small, accessible buses, the Organization provides transportation to citizens of all ages residing in rural Blue Earth, Nicollet, and Le Sueur counties. Program costs are covered by MnDOT and Blue Earth, Nicollet, and Le Sueur Counties, and passenger fares.

Home Thrift Store – Donated home furnishings and accessories are cleaned and sold to benefit the Organization’s programs and services. Using established guidelines, low-income community members are eligible to receive needed household items.

**Financial Statement Presentation**

Net assets and revenues, gains, and losses are classified based on donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted Net Assets – Resources over which the board of directors has discretionary control. These net assets include both board-designated and undesignated amounts.

Temporarily Restricted Net Assets – Those resources subject to donor-imposed restrictions which will be satisfied by action of the Organization or passage of time.

Permanently Restricted Net Assets – Those resources subject to a donor-imposed restriction that they be maintained permanently by the Organization. There were no such permanent restrictions as of June 30, 2018 and 2017.

**VINE FAITH IN ACTION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Financial Statement Presentation (Continued)**

The Organization has elected to present temporarily restricted contributions, which are fulfilled in the same time period, within the unrestricted net asset class. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as "Net Assets Released from Restrictions."

**Revenue**

Revenue from services provided is unrestricted and provides general operating support.

**Use of Estimates**

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 as of the dates 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 Cash Equivalents**

For purposes of the statements of cash flows, the Organization considers demand deposits, savings, and money market accounts with original maturities of three months or less to be cash equivalents.

**Certificates of Deposit**

Certificates of deposit are stated at cost which approximates fair value.

**Pledges Receivable**

Pledges to be received in one year or less are reported at net realizable value. Contributions to be received after one year, net of an allowance for uncollectible amounts, are initially reported at fair value, estimated by discounting them to their present value at a risk-adjusted rate. Thereafter, amortization of discounts is recorded as additional contribution revenue. An allowance for uncollectible contributions receivable is provided based upon management's judgment, considering such factors as prior collection history, type of contribution, relationship with donor, and other relevant factors. The Organization has determined that an allowance is not necessary at June 30, 2018 and 2017.

**Grants Receivable**

Grants receivable represents grant amounts earned each respective contract year which are collected after filing appropriate reports.

**VINE FAITH IN ACTION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018 AND 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accounts Receivable**

Accounts receivable consists of billings for various program services and are stated at the amount the Organization expects to collect from outstanding balances. Accordingly, no allowance for doubtful accounts is considered necessary.

**Inventory**

Inventory consists of various items donated to the Organization's thrift store and is valued at the estimated fair market value.

**Property and Equipment**

Property and equipment is stated at cost; donated assets are valued at their estimated fair value on the date of donation. Major additions and betterments greater than \$1,000 are charged to the equipment accounts, while replacements, maintenance, and repairs which do not improve or extend the life of the respective assets are expensed currently. When equipment is retired or otherwise disposed of, the cost of the equipment is removed from the asset account, accumulated depreciation is charged with an amount equivalent to the depreciation provided, and the difference, after taking into account any salvage realized, is charged or credited to income. Depreciation is computed on the straight-line method over the estimated useful lives ranging from 3 to 50 years.

**Tenant Deposits**

Tenant deposits consist of deposits from entities leasing space in the Organization's building and refundable deposits for future activities.

**Deferred Revenue**

Deferred revenue consists of grants and memberships to use the fitness facilities that have been received in advance.

**Functional Allocation of Expenses**

Salaries and related expenses are allocated based on grants and timesheet allocation. Expenses, other than salaries and related expenses, which are not directly identifiable by program or supporting services, are allocated based on the best estimate of management.

**In-Kind Services and Facilities**

The Organization receives a significant amount of donated services from unpaid volunteers who assist in program activities, special events, and fundraising.

Contributions of donated services that require specialized skills are provided by individuals possessing those skills that would typically need to be purchased, if not provided by donation, are recorded at their fair values in the period received. Contributions of facilities and goods are recorded at their fair values in the period received.

**VINE FAITH IN ACTION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018 AND 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Advertising**

The Organization expenses all advertising costs as they are incurred. Total advertising costs were \$47,057 and \$16,120 for the years ended June 30, 2018 and 2017, respectively.

**Income Taxes**

The Organization is exempt from federal and state income taxes as an organization described in Section 501(c)(3) of the Internal Revenue Code.

The Organization has evaluated its tax positions and has determined it has no uncertain tax positions as of June 30, 2018 and 2017.

**Reclassifications**

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

**NOTE 2 PROPERTY AND EQUIPMENT**

	<u>2018</u>	<u>2017</u>
Land	\$ 405,412	\$ 405,412
Buildings and Improvement	8,962,323	7,610,522
Equipment and Vehicles	933,265	513,135
Construction in Process	-	1,189,588
Total	<u>10,301,000</u>	<u>9,718,657</u>
Less: Accumulated Depreciation	<u>(1,328,707)</u>	<u>(998,521)</u>
Net Property and Equipment	<u>\$ 8,972,293</u>	<u>\$ 8,720,136</u>

**NOTE 3 LONG-TERM DEBT**

The Organization's long-term debt consists of the following:

<u>Description</u>	<u>2018</u>	<u>2017</u>
Note payable to bank with monthly payments of \$3,605 plus interest at 3.875%, with balloon payment due December 19, 2022. Secured by all assets of the thrift store.	\$ 588,564	\$ 608,279
Note payable to Minnesota Department of Employment and Economic Development with semi-annual payments of \$14,500 plus interest at 1% through February 15, 2019. Unsecured.	27,269	55,782



**VINE FAITH IN ACTION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018 AND 2017**

**NOTE 3 LONG-TERM DEBT (CONTINUED)**

<u>Description</u>	<u>2018</u>	<u>2017</u>
Note payable to bank with monthly interest only payments at 4.10% through August 15, 2017, followed by monthly payments of \$3,338, with balloon payment due September 15, 2024. Secured by all assets of the Organization.	\$ 586,455	\$ 311,083
Note payable to bank with monthly payments of \$20,948, plus interest at 4.10%, with balloon payment due May 21, 2023. Secured by all assets of the Organization.	<u>3,555,748</u>	<u>3,657,012</u>
Total Long-Term Debt	4,758,036	4,632,156
Less: Unamortized Issuance Costs	<u>(14,047)</u>	<u>(16,949)</u>
Total Long-Term Debt, Net of Unamortized Debt Issuance Costs	4,743,989	4,615,207
Less: Current Maturities	<u>(171,148)</u>	<u>(158,263)</u>
Total	<u>\$ 4,572,841</u>	<u>\$ 4,456,944</u>

Debt issuance costs are being amortized over the life of the notes payable. Amortization expense recognized on debt issuance costs were and \$2,903 and \$2,903 for the years ended June 30, 2018 and 2017, respectively, and has been included in interest expense on the accompanying statements of activities.

Maturities of long-term debt are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2019	\$ 171,148
2020	150,806
2021	157,057
2022	163,565
2023	3,616,645
Thereafter	498,815
Total	<u>\$ 4,758,036</u>

**VINE FAITH IN ACTION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 4 LEASES**

The Organization leases a copier under a noncancelable operating lease agreement. Rent expense is \$254 per month. Rent expense for each of the years ended June 30, 2018 and 2017 was \$3,048 and \$2,758, respectively. Future minimum payments under this lease are as follows: 2019 - \$3,048; 2020 - \$2,794.

The Organization leases office space to several nonprofit organizations. Future receipts under the leases are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2019	\$ 129,727
2020	43,392
2021	40,876
Total	<u>\$ 213,995</u>

**NOTE 5 TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets at June 30 consisted of:

	<u>2018</u>	<u>2017</u>
5th Floor	231,162	146,182
Building	51,936	7,440
Garage	9,953	9,953
Hearing Loop	11,500	5,500
Total	<u>\$ 304,551</u>	<u>\$ 169,075</u>

Temporarily restricted net assets were released for the years ended June 30:

	<u>2018</u>	<u>2017</u>
Journey of Healing	\$ -	\$ 3,326
Pool	-	339,141
5th Floor	72,500	-
VFTT	-	3,500
Eventis	-	10,000
Donor Restricted Contributions	-	5,290
Total	<u>\$ 72,500</u>	<u>\$ 361,257</u>

**NOTE 6 CONCENTRATIONS**

During the year ended June 30, 2018, the Organization had no donors on which contributions exceeded 10% of total contributions. During the year ended June 30, 2017, the Organization had two donors on which contributions exceeded 10% of total contributions. Total contributions from this donor totaled 29% for the year ended June 30, 2017.

**VINE FAITH IN ACTION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018 AND 2017**

**NOTE 7 SERVICE AGREEMENT**

The Organization entered into a service agreement to provide use of the swimming pool, locker facilities and storage rooms. The agreement has a five-year term beginning July 1, 2017, with an option to extend for an additional five-year term. In return for these services, the Organization will receive \$50,000 annually.

**NOTE 8 RETIREMENT PLAN**

The Organization has a defined contribution retirement plan established under Internal Revenue Service (IRS) code Section 401(k) covering substantially all employees who have worked at least 32 hours per week. The Organization makes discretionary matches to the plan. Total contributions for the years ended June 30, 2018 and 2017 were \$7,399 and \$6,728, respectively.

**NOTE 9 SUBSEQUENT EVENTS**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 17, 2018, the date the financial statements were available to be issued.

Effective July 1, 2018, VINE Faith in Action Properties, LLC was formed of which the Organization will be the sole member. The Organization's property will be transferred to the LLC with the Organization managing the property under and operating agreement.

The Organization received communication related to two tax assessments totaling \$50,936 to be repaid over a 15-year period at a 4% interest rate.

In October 2018, the organization entered into a construction contract to complete the fifth floor of its facility. The total commitment under this contract is \$437,500.

The Organization also entered into a lease agreement to lease out a portion of the fifth floor upon completion of the renovations. The term of the lease is for one year beginning April 2019 and will require one upfront payment of \$110,000.

