

FAITH'S LODGE
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

**FAITH'S LODGE
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

| | |
|--|----------|
| INDEPENDENT AUDITORS' REPORT | 1 |
| FINANCIAL STATEMENTS | |
| STATEMENTS OF FINANCIAL POSITION | 3 |
| STATEMENTS OF ACTIVITIES | 4 |
| STATEMENTS OF FUNCTIONAL EXPENSES | 6 |
| STATEMENTS OF CASH FLOWS | 8 |
| NOTES TO FINANCIAL STATEMENTS | 9 |



INDEPENDENT AUDITORS' REPORT

Board of Directors
Faith's Lodge
Minneapolis, Minnesota

We have audited the accompanying financial statements of Faith's Lodge (a nonprofit organization), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows 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 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.

Board of Directors
Faith's Lodge

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Faith's Lodge as of December 31, 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

Minneapolis, Minnesota
March 20, 2019

**FAITH'S LODGE
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017**

| | 2018 | 2017 |
|---|--------------|--------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and Cash Equivalents | \$ 695,469 | \$ 261,649 |
| Accounts Receivable | - | 11,245 |
| Pledges and Grants Receivable | 164,641 | 148,465 |
| Prepaid Expenses | 16,891 | 23,258 |
| Total Current Assets | 877,001 | 444,617 |
| OTHER ASSETS | | |
| Pledges and Grants Receivable, Net of Current Portion | 315,562 | 443,069 |
| Property and Equipment, Net | 2,273,374 | 2,332,601 |
| Total Other Assets | 2,588,936 | 2,775,670 |
| Total Assets | \$ 3,465,937 | \$ 3,220,287 |
| LIABILITIES AND NET ASSETS | | |
| CURRENT LIABILITIES | | |
| Accounts Payable | \$ 4,140 | \$ 7,847 |
| Accrued Expenses | 19,701 | 19,632 |
| Deferred Revenue | 27,439 | 21,672 |
| Deferred Rent | 26,523 | 22,637 |
| Debt, Current Portion | 57,822 | 55,388 |
| Total Current Liabilities | 135,625 | 127,176 |
| LONG-TERM LIABILITIES | | |
| Debt, Net of Current Portion | 1,448,679 | 1,506,502 |
| Total Liabilities | 1,584,304 | 1,633,678 |
| NET ASSETS | | |
| Without Donor Restrictions | 1,003,936 | 992,075 |
| With Donor Restrictions | 877,697 | 594,534 |
| Total Net Assets | 1,881,633 | 1,586,609 |
| Total Liabilities and Net Assets | \$ 3,465,937 | \$ 3,220,287 |

See accompanying Notes to Financial Statements.

FAITH'S LODGE
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2018 AND 2017

| | 2018 | | |
|--|-------------------------------|----------------------------|----------------------------|
| | Without Donor Restrictions | With Donor Restrictions | Total |
| SUPPORT AND REVENUES | | | |
| Contributions: | | | |
| Cash | \$ 346,211 | \$ 447,012 | \$ 793,223 |
| In-Kind | 31,821 | - | 31,821 |
| Subtotal Support and Revenues | <u>378,032</u> | <u>447,012</u> | <u>825,044</u> |
| Special Event Revenue | 563,343 | - | 563,343 |
| Loss on Disposal of Equipment | (53) | - | (53) |
| Other Income | 43,290 | - | 43,290 |
| Net Assets Released from Restrictions | 163,849 | (163,849) | - |
| Total Support and Revenues | <u>1,148,461</u> | <u>283,163</u> | <u>1,431,624</u> |
| EXPENSES | | | |
| Program | 561,925 | - | 561,925 |
| Management and General | 111,709 | - | 111,709 |
| Fundraising | 172,048 | - | 172,048 |
| Special Event - Fundraising | 290,918 | - | 290,918 |
| Total Expenses | <u>1,136,600</u> | <u>-</u> | <u>1,136,600</u> |
| INCREASE (DECREASE) IN NET ASSETS | 11,861 | 283,163 | 295,024 |
| Net Assets - Beginning of Year | <u>992,075</u> | <u>594,534</u> | <u>1,586,609</u> |
| NET ASSETS - END OF YEAR | <u><u>\$ 1,003,936</u></u> | <u><u>\$ 877,697</u></u> | <u><u>\$ 1,881,633</u></u> |

See accompanying Notes to Financial Statements.

| 2017 | | |
|---------------------------------------|------------------------------------|---------------------|
| <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
| \$ 311,186 | \$ 116,127 | \$ 427,313 |
| 57,658 | - | 57,658 |
| <u>368,844</u> | <u>116,127</u> | <u>484,971</u> |
| 705,900 | - | 705,900 |
| - | - | - |
| 43,228 | - | 43,228 |
| 172,417 | (172,417) | - |
| <u>1,290,389</u> | <u>(56,290)</u> | <u>1,234,099</u> |
| 539,484 | - | 539,484 |
| 114,147 | - | 114,147 |
| 189,625 | - | 189,625 |
| 361,307 | - | 361,307 |
| <u>1,204,563</u> | <u>-</u> | <u>1,204,563</u> |
| 85,826 | (56,290) | 29,536 |
| <u>906,249</u> | <u>650,824</u> | <u>1,557,073</u> |
| <u>\$ 992,075</u> | <u>\$ 594,534</u> | <u>\$ 1,586,609</u> |

FAITH'S LODGE
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2018 AND 2017

| | 2018 | | | | Total |
|----------------------------------|---------------------|---------------------------|-------------------|--------------------------------|---------------------|
| | Program Services | Management and General | Fundraising | Special Event - Fundraising | |
| Salaries | \$ 208,675 | \$ 68,227 | \$ 104,409 | - | \$ 381,311 |
| Payroll Taxes | 15,694 | 4,477 | 8,954 | - | 29,125 |
| Other Payroll Expenses | 2,274 | 999 | - | - | 3,273 |
| Employee Benefits | 6,542 | 4,462 | 3,911 | - | 14,915 |
| Total Salaries and Benefits | <u>233,185</u> | <u>78,165</u> | <u>117,274</u> | - | <u>428,624</u> |
| Contract Services | 40,630 | - | 5,106 | 65,502 | 111,238 |
| Other Professional Fees | - | 9,137 | - | - | 9,137 |
| Printing and Production | 2,372 | - | 16,987 | - | 19,359 |
| Supplies | 46,852 | 3,312 | 5 | - | 50,169 |
| Information Technology | 2,080 | 150 | - | - | 2,230 |
| Occupancy | 38,295 | 12,888 | 18,901 | 600 | 70,684 |
| Travel and Meetings | 5,472 | 1,219 | 525 | - | 7,216 |
| Interest | 66,096 | - | - | - | 66,096 |
| Postage and Delivery | 1,327 | 301 | 459 | - | 2,087 |
| Insurance | 11,196 | - | - | - | 11,196 |
| Repairs and Maintenance | 13,586 | 2,036 | - | - | 15,622 |
| Telephone | 9,845 | 2,867 | 904 | - | 13,616 |
| Advertising and Public Relations | 98 | 76 | 9,465 | - | 9,639 |
| Depreciation | 82,174 | - | - | - | 82,174 |
| Bad Debt | - | - | - | - | - |
| Other | 8,717 | 1,558 | 2,422 | 224,816 | 237,513 |
| Total Functional Expenses | <u>\$ 561,925</u> | <u>\$ 111,709</u> | <u>\$ 172,048</u> | <u>\$ 290,918</u> | <u>\$ 1,136,600</u> |

See accompanying Notes to Financial Statements.

2017

| Program Services | Management and General | Fundraising | Special Event - Fundraising | Total |
|---------------------|---------------------------|-------------------|--------------------------------|---------------------|
| \$ 186,415 | \$ 68,210 | \$ 104,705 | - | \$ 359,330 |
| 18,951 | 4,430 | 8,860 | - | 32,241 |
| 2,058 | 848 | - | - | 2,906 |
| 7,389 | 3,867 | 3,558 | - | 14,814 |
| <u>214,813</u> | <u>77,355</u> | <u>117,123</u> | - | <u>409,291</u> |
| 20,249 | 600 | 38,194 | 59,466 | 118,509 |
| - | 8,750 | - | - | 8,750 |
| 3,051 | - | 5,463 | - | 8,514 |
| 54,681 | 3,461 | 1,640 | - | 59,782 |
| - | - | - | - | - |
| 38,264 | 11,566 | 15,421 | 600 | 65,851 |
| 3,252 | 1,342 | 2,225 | - | 6,819 |
| 68,433 | - | - | - | 68,433 |
| 2,148 | 804 | 5,045 | - | 7,997 |
| 13,842 | - | - | - | 13,842 |
| 16,235 | - | - | - | 16,235 |
| 10,560 | 5,390 | - | - | 15,950 |
| 554 | 1,182 | 164 | - | 1,900 |
| 84,635 | - | - | - | 84,635 |
| - | 1,505 | - | - | 1,505 |
| 8,767 | 2,192 | 4,350 | 301,241 | 316,550 |
| <u>\$ 539,484</u> | <u>\$ 114,147</u> | <u>\$ 189,625</u> | <u>\$ 361,307</u> | <u>\$ 1,204,563</u> |

**FAITH'S LODGE
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

| | 2018 | 2017 |
|---|------------|------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Increase in Net Assets | \$ 295,024 | \$ 29,536 |
| Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by Operating Activities: | | |
| Depreciation | 82,174 | 84,635 |
| Donated Equipment | - | (20,200) |
| Loss on Disposal of Equipment | 53 | - |
| Decrease in Pledges and Grants Receivable | 111,331 | 59,957 |
| (Increase) Decrease in Prepaid Expenses | 6,367 | (7,569) |
| Changes in Operating Assets and Liabilities: | | |
| Accounts Receivable | 11,245 | (7,006) |
| Accounts Payable | (3,707) | 3,517 |
| Accrued Expenses | 69 | 1,598 |
| Deferred Revenue | 5,767 | (3,718) |
| Deferred Rent | 3,886 | 10,540 |
| Net Cash Provided by Operating Activities | 512,209 | 151,290 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Payments on Long-Term Debt | (55,389) | (53,055) |
| Purchase of Fixed Assets | (23,000) | (20,580) |
| Net Cash Used by Investing Activities | (78,389) | (73,635) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 433,820 | 77,655 |
| Cash and Cash Equivalents - Beginning of Year | 261,649 | 183,994 |
| CASH AND CASH EQUIVALENTS - END OF YEAR | \$ 695,469 | \$ 261,649 |
| SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION | | |
| Cash Paid for Interest | \$ 66,096 | \$ 68,433 |
| In-Kind Donations | \$ 173,812 | \$ 255,238 |

See accompanying Notes to Financial Statements.

FAITH'S LODGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Faith's Lodge (the Organization) was incorporated in 2006 to be operated as a charitable organization. The mission of Faith's Lodge is to support parents and families coping with the death or medically complex condition of a child in a peaceful environment to reflect on the past, renew strength for the present, and build hope for the future. The real value in the experience comes from the connections that parents make in talking to others who are experiencing the same challenges surrounding difficult circumstances. A grieving mother that connects with another mother who knows her depth of pain is going to have more success navigating her journey of grief for many years to come. The lodge accommodates up to eight families at a time and operates year round serving either couples or families on designated dates. Every "bereaved" week includes facilitated group discussion with a licensed therapist as well as scheduled therapeutic activities for individuals and activities for couples and families. Activities include yoga, mindfulness, memorial birdhouse painting, and a heart stone ritual for all families.

Net Asset Classification

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:

Net Assets Without Donor Restrictions – Net assets not subject to donor-imposed stipulations. Certain of these amounts have been designated by the board of directors has discretionary control.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed stipulations that: a) restrict their use to a specific purpose satisfied by actions of the Organization or passage of time; or b) require that they be maintained in perpetuity by the Organization. The Organization has no perpetuity restricted net assets.

Revenue Recognition

Contributions are recognized as revenue when they are received or unconditionally pledged.

Support that is with donor restrictions is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restriction and reported in the statements of activities as net assets released from restrictions.

**FAITH'S LODGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Organization considers all cash and other highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

At times, cash and cash equivalents may be in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limit.

Pledges and Grants Receivable

Pledges and grants receivable are recorded at fair value at the time of gift. Pledges and grants receivable that are expected to be collected in greater than one year are recorded at the present value of the amounts expected to be collected using a discount rate reflective of the market and conditions at the time of gift. Amortization of the discount is included in contribution revenue.

Management provides an allowance for bad debts using the allowance method, which is based on management judgment considering historical information. An allowance is provided for other accounts when a significant pattern of uncollectibility has occurred. When all collection efforts have been exhausted, the accounts are written off against the related allowance. No allowance was recorded for 2018 or 2017.

Property and Equipment

Property and equipment purchases exceeding \$1,000 are recorded at cost. Contributed items are recorded at fair market value at date of donation. If the donor stipulates how long the assets must be used, the contributions are recorded as restricted for purpose or time support. In the absence of such stipulation, contributions of property and equipment are recorded as without donor restrictions. Depreciation is recorded through the use of the straight-line method over the estimated useful life of the asset. Construction in progress is not depreciated until placed into service or materially complete. Buildings have an estimated useful life of 40 years, equipment has an estimated useful life ranging from 3 to 10 years, and the website has an estimated useful life of five years.

Interest Costs

Interest costs incurred as part of the cost of acquiring or constructing a qualifying asset are capitalized as part of the qualifying asset's basis. Interest costs incurred on qualifying assets financed with the proceeds of externally restricted tax-exempt borrowings are capitalized net of any interest earned by temporarily investing the proceeds of the borrowings.

Interest costs that are not related to the cost of acquiring or constructing a qualifying asset are expensed as incurred. Total interest expense was \$66,096 and \$68,433 for the years ended December 31, 2018 and 2017, respectively.

**FAITH'S LODGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Services, Materials, and Equipment

Contributions of noncash assets (materials and equipment) are recorded at their fair values in the period received. Contributions of services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and which would typically need to be purchased if not provided by donation, are recorded at their estimated fair values in the period received. In-kind contributions received during the years ended December 31, 2018 and 2017 consisted of:

| | 2018 | 2017 |
|--------------------------------------|-------------------|-------------------|
| Advertising | \$ 51,750 | \$ 95,877 |
| Auction Items | 75,996 | 71,757 |
| Professional Services | 7,249 | 27,256 |
| Miscellaneous Donations | 6,996 | 2,690 |
| Total Donated Event Contributions | 141,991 | 197,580 |
| Food and Beverage | 1,195 | 1,487 |
| Supplies | 13,188 | 8,052 |
| Professional Services | 17,438 | 27,919 |
| Fixtures | - | 20,200 |
| Total Donated Nonevent Contributions | 31,821 | 57,658 |
| Total In-Kind Contributions | <u>\$ 173,812</u> | <u>\$ 255,238</u> |

Functional Allocation of Expense

Salaries and related expenses are allocated based on timesheets maintained by management. Expenses, other than salaries and related expenses, which are not directly identifiable by function, are allocated based on the best estimates of management.

Estimates and Assumptions

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 amounts reported in the financial statements and accompanying notes. Actual results could differ from the estimates used.

Income Tax

The Organization has tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and Minnesota Statute 290.05. The Organization has adopted guidance in the income tax standard regarding the recognition of uncertain tax positions. This guidance prescribes recognition threshold principles for the financial statement recognition of tax positions taken or expected to be taken on a tax return that are not certain to be realized.

**FAITH'S LODGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements

The Organization uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. The Organization follows the accounting policy which measures fair value using a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. The Organization currently does not have any financial assets or financial liabilities that are measured at fair value on a recurring or nonrecurring basis.

Reclassifications

Certain 2017 amounts have been reclassified to conform to the 2018 presentation. There were no changes to net assets or changes in net assets as previously reported.

Change in Accounting Principle

The Organization adopted FASB 2016-14 (Nonprofit Financial Statements) in 2018. These changes were applied retrospectively to ensure comparability with the prior year presented within.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through March 20, 2019, the date the financial statements were available to be issued.

NOTE 2 PLEDGES AND GRANTS RECEIVABLE

Pledges and grants receivable consists of grants from foundations and pledges from individuals and foundations. Pledges and grants receivable as of December 31, 2018 and 2017 were:

| | 2018 | 2017 |
|---|-------------------|-------------------|
| Receivable in Less Than One Year | \$ 164,641 | \$ 148,465 |
| Receivable in One to Five Years | 123,500 | 259,166 |
| Receivable in Over Five Years | 350,000 | 350,000 |
| Less: Discount to Net Present Value at Rates Ranging from 1.12% to 2.06% | (157,938) | (166,097) |
| Total Pledges and Grants Receivable | <u>\$ 480,203</u> | <u>\$ 591,534</u> |

No allowance for doubtful accounts was recorded for 2018 or 2017.

As of December 31, 2018 and 2017, \$564,501 and \$519,406 was due from two contributors, respectively.

FAITH'S LODGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 3 RESTRICTIONS AND LIMITATIONS ON NET ASSET BALANCES

Net assets with donor restrictions are available for the following purposes or periods at December 31:

| | <u>2018</u> | <u>2017</u> |
|---|-------------------|-------------------|
| Purpose Restricted: | | |
| Purpose Restrictions - Suite | \$ 3,000 | \$ 3,000 |
| Purpose Restrictions - Kitchen Remodel | 394,494 | - |
| Time Restrictions | 480,203 | 591,534 |
| Total Temporarily Restricted Net Assets | <u>\$ 877,697</u> | <u>\$ 594,534</u> |

Net assets released from restrictions during the year were comprised of the following at December 31:

| | <u>2018</u> | <u>2017</u> |
|-------------------|-------------------|-------------------|
| Time Restrictions | <u>\$ 163,849</u> | <u>\$ 172,417</u> |

NOTE 4 OPERATING LEASES

In 2016, the Organization entered into a new lease agreement for office space that terminates on September 30, 2022.

Future minimum lease payments are as follows:

| <u>Year Ending</u> | <u>Amount</u> |
|------------------------------|-------------------|
| 2019 | \$ 31,468 |
| 2020 | 32,151 |
| 2021 | 32,835 |
| 2022 | 25,096 |
| Total Minimum Lease Payments | <u>\$ 121,550</u> |

For the years ended December 31, 2018 and 2017, total rent expense was \$45,947 and \$38,553, respectively.

NOTE 5 PROPERTY AND EQUIPMENT

A summary of property and equipment as of December 31, 2018 and 2017 is as follows:

| | <u>2018</u> | <u>2017</u> |
|--------------------------------|---------------------|---------------------|
| Land | \$ 430,000 | \$ 430,000 |
| Building | 2,423,987 | 2,413,396 |
| Furniture and Equipment | 234,939 | 225,156 |
| Website | 57,154 | 57,154 |
| Less: Accumulated Depreciation | (872,706) | (793,105) |
| Total | <u>\$ 2,273,374</u> | <u>\$ 2,332,601</u> |

FAITH'S LODGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 6 NOTE PAYABLE

The Organization holds a note secured by land and building. The Organization refinanced the note on September 20, 2016 to a 60-month note totaling approximately \$1,629,000 bearing an interest rate of 4.25% to mature on September 13, 2021. Payments of interest and principal of approximately \$10,100 are due each month, with all remaining principal and accrued interest due at time of maturity.

At December 31, 2018, the debt payments are due in the following years:

| <u>Year Ending December 31,</u> | <u>Amount</u> |
|---------------------------------|---------------------|
| 2019 | \$ 57,822 |
| 2020 | 60,188 |
| 2021 | 1,388,491 |
| Total | <u>\$ 1,506,501</u> |

NOTE 7 BENEFIT PLAN

During 2016, the Organization started a simple individual retirement account (IRA) plan. The plan is available for any employees receiving more than \$5,000 in compensation per year for two years. Participating employees may defer any part of their salary, up to \$12,500 per year or \$15,500 if the employee is over 50 years old. The Organization will provide matching contributions up to 1% of employees' salary. Matches made to the plan during the years ended December 31, 2018 and 2017 was \$2,669 and \$2,316, respectively.

NOTE 8 RELATED PARTY TRANSACTIONS

During the years ended December 31, 2018 and 2017, the Organization received contributions of \$611,823 and \$123,331 from board members and directors, respectively. As of December 31, 2018 and 2017, \$480,203 and \$591,534 was included in pledge receivables, net of present value discount, respectively.

During the years ended December 31, 2018 and 2017, the Organization also received \$7,763 and \$14,200 in professional services from board members, respectively.

FAITH'S LODGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 9 LIQUIDITY DISCLOSURE

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. As of December 31, the following assets could be made readily available within one year to meet general expenditures:

| | <u>2018</u> | <u>2017</u> |
|-------------------------------|-------------------|-------------------|
| Cash and Cash Equivalents | \$ 695,469 | \$ 261,649 |
| Accounts Receivable | - | 11,245 |
| Pledges and Grants Receivable | 164,641 | 148,465 |
| Total | <u>\$ 860,110</u> | <u>\$ 421,359</u> |

The majority of the Organization's liquidity is provided by cash and cash equivalents. Based on historical experience, only the portion of contributions receivable due within one year are considered liquid.