

**UNITED WAY OF OTTER TAIL &
WADENA COUNTIES, INC.**

FINANCIAL STATEMENTS

Year Ended December 31, 2017 and 2016

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UNITED WAY OF OTTER TAIL & WADENA COUNTIES, INC.

DIRECTORS AND MANAGEMENT

		Term Expires
Josh Heggem	President	2017
Lori Mattfield	Vice President/President Elect	2020
Mick Siems	Treasurer	2020
Dianne Beckman	Secretary	2018
Dr. Randy Kempfer	Past President	2019
Barbara Axness	Director	2018
Cori Brown	Director	2017
Jeff Drake	Director	2018
Brent Frazier	Director	2019
Jackie Hendrickson	Director	2019
Jen Hendrickson	Director	2018
Dennis Johnson	Director	2017
Heidi Konynenbelt	Director	2019
Chris Marvel	Director	2017
Pastor Tom Peterson	Director	2018
Gary Sellman	Director	2019
Diane Thorson	Director	2018
Marilyn Twete	Director	2019
Mary Phillipe	Executive Director	



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United Way of Otter Tail & Wadena Counties, Inc.
Fergus Falls, Minnesota

We have audited the accompanying financial statements of United Way of Otter Tail & Wadena Counties, Inc. (a nonprofit organization) which comprise the statements of financial position as of December 31, 2017 and 2016, 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.

Auditor's 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 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 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Otter Tail & Wadena Counties, Inc. as of December 31, 2017 and 2016, 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.

Carlson AV LLP

Fergus Falls, Minnesota
April 10, 2018

UNITED WAY OF OTTER TAIL & WADENA COUNTIES, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2017 and 2016

ASSETS

	2017	2016
ASSETS		
Cash	\$ 322,778	\$ 376,661
Promises to give	126,146	117,841
Prepaid expenses	4,035	1,638
Investments held by agent	41,447	34,938
Property and equipment, net	4,063	4,089
TOTAL ASSETS	\$ 498,469	\$ 535,167

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable	\$ 3,556	\$ 1,854
Accrued and other liabilities	11,562	8,928
Total Liabilities	15,118	10,782
NET ASSETS		
Unrestricted Net Assets		
Board designated	63,750	63,750
Undesignated	23,745	58,826
Total Unrestricted Net Assets	87,495	122,576
Temporarily Restricted	395,856	401,809
Total Net Assets	483,351	524,385
TOTAL LIABILITIES AND NET ASSETS	\$ 498,469	\$ 535,167

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

UNITED WAY OF OTTER TAIL & WADENA COUNTIES, INC.
STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2017 and 2016

	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUES						
Campaign contributions	\$ 71,996	\$ 351,544	\$ 423,540	\$ 54,225	\$ 354,930	\$ 409,155
Donations and fundraising events						
Friends of Friends	57,551	-	57,551	74,546	-	74,546
Fergus Falls Backpack Program	16,377	-	16,377	16,355	-	16,355
New York Mills Backpack Program	4,146	-	4,146	4,146	-	4,146
Henning Backpack Program	2,000	-	2,000	2,000	-	2,000
Imagination Library	921	-	921	-	-	-
In-kind donations	1,425	-	1,425	2,125	-	2,125
Grants	24,200	11,800	36,000	23,784	17,591	41,375
Investment return	6,757	-	6,757	(2,891)	-	(2,891)
Other	238	-	238	1,837	-	1,837
Net assets released from restrictions						
Restrictions satisfied by payments	356,552	(356,552)	-	275,675	(275,675)	-
Uncollectible pledges	-	(12,745)	(12,745)	-	(14,622)	(14,622)
Total Revenues	542,163	(5,953)	536,210	451,802	82,224	534,026
EXPENSES						
Program services	433,201	-	433,201	365,115	-	365,115
Support services						
General and administrative	44,294	-	44,294	33,050	-	33,050
Fundraising	99,749	-	99,749	78,470	-	78,470
Total Expenses	577,244	-	577,244	476,635	-	476,635
CHANGE IN NET ASSETS	(35,081)	(5,953)	(41,034)	(24,833)	82,224	57,391
NET ASSETS, BEGINNING OF YEAR	122,576	401,809	524,385	147,409	319,585	466,994
NET ASSETS, END OF YEAR	\$ 87,495	\$ 395,856	\$ 483,351	\$ 122,576	\$ 401,809	\$ 524,385

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

UNITED WAY OF OTTER TAIL & WADENA COUNTIES, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended December 31, 2017 and 2016

	2017				2016			
	Program	Supporting Services			Program	Supporting Services		
		Services	Management and General	Fundraising		Total	Services	Management and General
Contributions to Agencies								
American Red Cross								
Red Cross Disaster	\$ 4,070	\$ -	\$ -	\$ 4,070	\$ 4,035	\$ -	\$ -	\$ 4,035
Battle Lake Community Recreation	1,500	-	-	1,500	1,750	-	-	1,750
Open Door Youth Center of Battle Lake	-	-	-	-	500	-	-	500
Northern Lights Boy Scout Council	2,000	-	-	2,000	1,600	-	-	1,600
Catholic Charities - Foster Grandparents	4,184	-	-	4,184	1,757	-	-	1,757
Children's Service Association	3,200	-	-	3,200	3,600	-	-	3,600
Dakota Horizons Girl Scouts	1,500	-	-	1,500	1,350	-	-	1,350
Father's Resource Program	4,100	-	-	4,100	3,800	-	-	3,800
Meals by Wheels of Fergus Falls	700	-	-	700	600	-	-	600
New York Mills Senior Center	1,400	-	-	1,400	1,450	-	-	1,450
North Country Food Bank	11,700	-	-	11,700	10,905	-	-	10,905
Pelican Rapids Senior Center	1,100	-	-	1,100	1,300	-	-	1,300
Pelican Rapids Oaks	1,500	-	-	1,500	2,000	-	-	2,000
A Place to Belong	2,800	-	-	2,800	2,650	-	-	2,650
Salvation Army	10,000	-	-	10,000	15,853	-	-	15,853
Salvation Army Feeding Program	2,400	-	-	2,400	-	-	-	-
Salvation Army After School Program	2,805	-	-	2,805	-	-	-	-
Someplace Safe								
Community Outreach / Intervention	14,200	-	-	14,200	14,600	-	-	14,600
Safe Exchange	8,300	-	-	8,300	6,844	-	-	6,844
Trafficked	1,100	-	-	1,100	550	-	-	550
Sexual Assault	4,900	-	-	4,900	5,386	-	-	5,386
YMCA Summer Learning Loss Prev. Program	6,600	-	-	6,600	4,150	-	-	4,150
Battle Lake ECFE	4,100	-	-	4,100	4,300	-	-	4,300
LB Homes- Camp Emily	700	-	-	700	600	-	-	600
Perham Kinship	7,900	-	-	7,900	8,695	-	-	8,695
ECFE Childcare Visitor Program	10,000	-	-	10,000	9,500	-	-	9,500
Fergus Falls Basic Education	8,300	-	-	8,300	5,150	-	-	5,150
Bright Start Child Care Home	-	-	-	-	1,500	-	-	1,500
Boys & Girls Club of Perham	9,100	-	-	9,100	8,866	-	-	8,866
Backpack Programs								
Fergus Falls	15,998	-	-	15,998	12,869	-	-	12,869
New York Mills	7,450	-	-	7,450	5,515	-	-	5,515
Henning	3,539	-	-	3,539	2,024	-	-	2,024
Underwood Preschool program	-	-	-	-	500	-	-	500
Stuff the Bus	2,306	-	-	2,306	-	-	-	-

UNITED WAY OF OTTER TAIL & WADENA COUNTIES, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended December 31, 2017 and 2016

	2017				2016			
	Program Services	Supporting Services		Total	Program Services	Supporting Services		Total
		Management and General	Fundraising			Management and General	Fundraising	
West Central Initiative								
Project expense	\$ 11,824	\$ -	\$ -	\$ 11,824	\$ 3,781	\$ -	\$ -	\$ 3,781
Coordinator expense	6,000	-	-	6,000	7,500	-	-	7,500
Caring Connections Family Advocate	10,000	-	-	10,000	-	-	-	-
Mudpie Park	-	-	-	-	885	-	-	885
LSS Care Giver	4,100	-	-	4,100	4,100	-	-	4,100
Alzheimer's Association	2,000	-	-	2,000	1,000	-	-	1,000
Perham Area Special Olympics	1,500	-	-	1,500	750	-	-	750
A Brush with Kindness	-	-	-	-	750	-	-	750
Friends of Friends Allocations	80,805	-	-	80,805	56,500	-	-	56,500
Women's Leadership Council expense	9,523	-	-	9,523	6,718	-	-	6,718
In Faith Foundation	5,100	-	-	5,100	6,217	-	-	6,217
Frazee Neighbor to Neighbor	2,000	-	-	2,000	2,000	-	-	2,000
Mahube-OTWA Family Development Housing	2,800	-	-	2,800	2,400	-	-	2,400
Richville Senior Citizens Center	-	-	-	-	500	-	-	500
Village Family Counseling Services	-	-	-	-	-	-	-	-
EOT-WLC expenses	(473)	-	-	(473)	3,333	-	-	3,333
Safe Communities Coalition expense	1,174	-	-	1,174	1,349	-	-	1,349
Imagination Library	9,062	-	-	9,062	8,383	-	-	8,383
Designated allocations	5,581	-	-	5,581	8,434	-	-	8,434
Holiday Toy Shop Expense	-	-	-	-	387	-	-	387
Other program expenses	10,184	-	-	10,184	5,876	-	-	5,876
Total Contributions to Agencies	320,632	-	-	320,632	265,062	-	-	265,062

UNITED WAY OF OTTER TAIL & WADENA COUNTIES, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended December 31, 2017 and 2016

	2017				2016			
	Program Services	Supporting Services Management and General	Fundraising	Total	Program Services	Supporting Services Management and General	Fundraising	Total
Other Expenses								
Salaries and wages	\$ 68,804	\$ 26,878	\$ 51,623	\$ 147,305	\$ 63,603	\$ 18,017	\$ 28,255	\$ 109,875
Payroll taxes and fringe benefits	13,504	5,296	7,679	26,479	10,150	3,980	5,772	19,902
Advertising	8,442	-	3,472	11,914	7,712	-	1,934	9,646
Printing	2,798	160	2,615	5,573	1,710	-	2,484	4,194
Travel, education, and meetings	3,341	1,293	5,769	10,403	3,614	526	2,277	6,417
Accounting	280	252	402	934	212	191	304	707
Professional services	1,440	1,296	2,064	4,800	1,425	1,283	2,042	4,750
Supplies	1,636	608	2,855	5,099	1,244	799	2,251	4,294
Fundraising expenses	-	-	7,036	7,036	-	-	17,207	17,207
Rent and lease	3,647	3,282	5,228	12,157	3,739	3,365	5,359	12,463
Utilities	686	617	982	2,285	684	616	980	2,280
Telephone	910	819	1,303	3,032	808	727	1,158	2,693
Depreciation	806	726	1,156	2,688	780	702	1,118	2,600
Repairs and maintenance	886	798	1,270	2,954	791	711	1,133	2,635
Bank charges and credit card fees	-	-	1,519	1,519	-	-	1,342	1,342
Insurance	724	652	1,037	2,413	579	521	831	1,931
Dues and subscriptions	1,790	1,612	2,564	5,966	1,684	1,516	2,412	5,612
Postage	2,875	5	1,175	4,055	1,318	96	1,611	3,025
Total Other Expenses	<u>112,569</u>	<u>44,294</u>	<u>99,749</u>	<u>256,612</u>	<u>100,053</u>	<u>33,050</u>	<u>78,470</u>	<u>211,573</u>
TOTAL	<u>\$ 433,201</u>	<u>\$ 44,294</u>	<u>\$ 99,749</u>	<u>\$ 577,244</u>	<u>\$ 365,115</u>	<u>\$ 33,050</u>	<u>\$ 78,470</u>	<u>\$ 476,635</u>

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

UNITED WAY OF OTTER TAIL & WADENA COUNTIES, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2017 and 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (41,034)	\$ 57,391
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	2,688	2,600
Unrealized loss (gain) on investments held by agent	(6,099)	3,504
(Increase) decrease in operating assets		
Promises to give	(8,305)	14,526
Prepaid expenses	(2,396)	1,201
Increase (decrease) in operating liabilities		
Accounts payable	1,702	(2,123)
Accrued and other liabilities	2,634	5,922
Net Cash Provided (Used) by Operating Activities	(50,810)	83,021
 CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(2,662)	-
Interest reinvested from investments held by agent	(411)	(534)
Net Cash Used by Investing Activities	(3,073)	(534)
 NET INCREASE (DECREASE) IN CASH	(53,883)	82,487
 CASH, BEGINNING OF YEAR	376,661	294,174
 CASH, END OF YEAR	\$ 322,778	\$ 376,661

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

UNITED WAY OF OTTER TAIL & WADENA COUNTIES, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017 and 2016

NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The United Way of Otter Tail & Wadena Counties, Inc. (the Organization) is a Minnesota corporation. The purpose of the Organization is to promote and stimulate interest in its member agencies. It solicits and receives contributions for participating members and allocates and distributes monies raised to its member agencies. The Organization also promotes efficiency by providing a means through which annual contributions can be made in one gift to its member agencies. During 2016, the Board of Directors approved to change the Organization's name from United Way of Otter Tail County, Inc. to United Way of Otter Tail & Wadena Counties, Inc.

The following is a summary of significant accounting policies followed in the preparation of these financial statements:

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Concentration of Credit Risk

The Organization maintains its cash at financial institutions which, at times, may exceed federally insured limits. Accounts are guaranteed up to specified limits. The Organization's bank balances exceeded federally insured limits by \$137,147 and \$0 as of December 31, 2017 and 2016, respectively. The Organization has not experienced any losses in such accounts.

Donated Property and Equipment

Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

UNITED WAY OF OTTER TAIL & WADENA COUNTIES, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017 and 2016

NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Services

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific programs. The value of these services is not recorded in the financial statements. The Organization receives more than 2,400 volunteer hours per year.

Investments Held by Agent

Fergus Falls Area Community Fund (Agent), a nonprofit organization, holds funds on behalf of the Organization. The Agent manages the funds along with other agency funds. The Agent has established a fund in the Organization's name and has specified the Organization as the beneficiary of that fund. All activity in the fund is included in the Organization's financial statements. Funds held by the Agent were \$41,447 and \$34,938 as of December 31, 2017 and 2016, respectively.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. 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.

Promises to give relating to the annual campaign are expected to be collected within one year and are recorded at their net realizable value. The Organization follows the practice of charging off uncollectible pledges against current operations and does not maintain an allowance for doubtful pledges. Uncollectible pledges for the years ended December 31, 2017 and 2016 were \$12,745 and \$14,622, respectively.

Property and Equipment

All acquisitions of property and equipment in excess of \$1,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method over the estimated useful lives of the assets ranging from 5 to 7 years. When property and equipment is sold or retired, any resulting gain or loss is reflected in current operations.

UNITED WAY OF OTTER TAIL & WADENA COUNTIES, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017 and 2016

NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Income Tax Status

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state provisions. However, income from certain activities not directly related to the Organization's tax-exempt purpose would be subject to taxation as unrelated business income. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) of the Code.

The Organization's tax returns are subject to possible examination by taxing authorities. With few exceptions, the tax returns essentially remain open for possible examination for a period of three years after the respective filing deadlines of those returns.

Unrestricted Net Assets

The Organization reports assets whose use is not restricted by donors as unrestricted net assets. Contributions are available for unrestricted use unless specifically restricted by the donor. Board designated funds are established by the Organization and represent unrestricted funds which have been set aside as a budget reserve for future operations of the Organization.

Temporarily Restricted Net Assets

Temporarily restricted net assets consist of donor restricted contributions. Amounts restricted by the donor for a particular purpose are reported as temporarily restricted revenue when received and such unexpended amounts are reported as temporarily restricted net assets at year end. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions restricted for capital improvements are released to unrestricted revenue at the time the funds are expended for the specified improvement.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

UNITED WAY OF OTTER TAIL & WADENA COUNTIES, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017 and 2016

NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising

The Organization expenses advertising costs as they are incurred. Total advertising costs for the years ended December 31, 2017 and 2016 were \$11,914 and \$9,646, respectively.

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

Subsequent Events Consideration

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through April 10, 2018, the date on which the financial statements were available to be issued. Management has determined that there were no material events that would require disclosure in the Organization’s financial statements through this date.

NOTE 2 – PROMISES TO GIVE

Promises to give as of December 31 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
2017				
PROMISES TO GIVE	\$ -	\$126,146	\$ -	\$126,146
2016				
PROMISES TO GIVE	\$ -	\$117,841	\$ -	\$117,841

UNITED WAY OF OTTER TAIL & WADENA COUNTIES, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017 and 2016

NOTE 3 – RESTRICTIONS/LIMITATIONS ON NET ASSETS

The Organization’s Board of Directors has chosen to place the following limitations on unrestricted net assets:

	2017	2016
DESIGNATED FOR BUDGET RESERVE	\$ 63,750	\$ 63,750

The Organization starts its annual fundraising campaign in the fall of each year. The 2017/2018 campaign contribution pledges made in 2017 are for the following fiscal year. The pledge amounts are to be expended in the following year.

Temporarily restricted net assets as of December 31 are available for the following purposes or periods:

	2017	2016
Fiscal year expenditures - campaign	\$ 351,544	\$ 354,930
Fiscal year expenditures - grants and other donations	44,312	46,879
TOTAL	\$ 395,856	\$ 401,809

NOTE 4 – PROPERTY AND EQUIPMENT, NET

Depreciation expense was \$2,688 and \$2,600 for the years ended December 31, 2017 and 2016, respectively. The cost of property and equipment by major category is as follows:

	2017	2016
Equipment	\$ 40,829	\$ 38,167
Accumulated depreciation	36,766	34,078
TOTAL, NET	\$ 4,063	\$ 4,089

UNITED WAY OF OTTER TAIL & WADENA COUNTIES, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017 and 2016

NOTE 5 – OPERATING LEASES

The Organization leases its office facility requiring rent of \$550 per month. The lease term is month-to-month and may be canceled by either party by giving a 90-day written notice. The Organization will also pay \$190 per month in addition to rent to cover heating, air conditioning, electricity, sewer, and water. The Organization also leases a copier and other small equipment. Rent and lease expense for the years ended December 31, 2017 and 2016 was \$12,157 and \$12,463, respectively.

The Organization leases office space in Perham, Minnesota. The lessee shall have the option of renewing the lease for a period of one year under the same terms and conditions unless lessor needs the demised premises for other purposes. No rent is paid. The estimated rental is \$1,425 and is included in in-kind donations revenue and rent and lease expense in the statement of activities.

NOTE 6 – EMPLOYEE BENEFIT PLAN

The Organization has a defined contribution salary deferral plan covering substantially all employees. Plan expenses incurred by the Organization for the years ended December 31, 2017 and 2016 were \$14,534 and \$10,848, respectively.

NOTE 7 – OTHER TRANSACTIONS

The Organization recorded dues expense as of December 31 as follows:

	2017	2016
UNITED WAY OF AMERICA	\$ 3,828	\$ 3,686