Hallie Q. Brown Community Center, Inc.
St. Paul, Minnesota

Financial Statements
Auditor's Report
For the Years Ended
December 31, 2017 and 2016

CERTIFIED PUBLIC ACCOUNTANTS

CONTENTS

Carpenter, Evert & Associates

Certified Public Accountants
7760 France Avenue S. Suite 940 Bloomington Minnesota 55435
952.831.0085 carpenterevert.com

Independent Auditor's Report

Board of Directors
Hallie Q. Brown Community Center, Inc.
St. Paul, Minnesota

We have audited the accompanying financial statements of Hallie Q. Brown Community Center, Inc., which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and changes in net assets, functional expense, 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 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 audits to obtain reasonable assurance about whether the financial statements are free of 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 Hallie Q. Brown Community Center, 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.

Carpenter Evert and Associates, LTD.

Certified Public Accountants

Minneapolis, Minnesota
March 22, 2018

EXHIBIT A

HALLIE Q. BROWN COMMUNITY CENTER, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017 AND 2016

	2017	2016
ASSETS		
Current Assets:		
Cash	$ 224,070	$ 142,122
Cash - Fiscal Agency	64,741	144,369
Accounts Receivable	37,306	21,168
Grants & Pledges Receivable	8,394	76,300
Prepaid Expenses	6,469	20,234
Total Current Assets	340,980	404,193
Property and Equipment - Net	347,881	361,657
Beneficial Interest in Assets Held at the St. Paul Foundation	271,419	245,288
TOTAL ASSETS	$ 960,280	$ 1,011,138
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts Payable	$ 13,801	$ 33,602
Accrued Salaries and Vacation	83,281	77,056
Accrued Payroll Taxes	1,983	5,038
Other Accrued Expense	21,747	14,841
Funds Held for Others	5,978	13,231
Due to the City of St. Paul	10,000	-
Pension Liability	31,775	31,775
Fiscal Agency	64,741	144,369
Total Current Liabilities	233,306	319,912
Due to the City of St. Paul	96,228	88,783
Total Liabilities	329,534	408,695
Net Assets:		
Unrestricted	9,881	(68,380)
Temporarily Restricted	349,446	425,535
Permanently Restricted	271,419	245,288
Total Net Assets	630,746	602,443
TOTAL LIABILITIES AND NET ASSETS	$ 960,280	$ 1,011,138

The accompanying Notes to Financial Statements
are an integral part of these statements.

EXHIBIT B

HALLIE Q. BROWN COMMUNITY CENTER, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017				2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and Revenue:								
United Way	$ 226,602	$ -	$ -	$ 226,602	$ 191,526	$ -	$ -	$ 191,526
Governments Grants	429,883	-	-	429,883	303,740	46,308	-	350,048
Contributions	207,701	-	-	207,701	198,442	122,500	-	320,942
In-Kind Contributions	614,040	-	-	614,040	428,131	-	-	428,131
Program Service Fees	101,524	-	-	101,524	97,969	-	-	97,969
Rental Income	174,627	-	-	174,627	172,112	-	-	172,112
Special Events	39,724	-	-	39,724	26,726	-	-	26,726
Investment Income	175	-	-	175	132	-	-	132
Other	1,800	-	-	1,800	6,216	-	-	6,216
Net Assets Released from Restrictions:								
Satisfaction of Capital Restrictions	6,089	(6,089)	-	-	8,240	(8,240)	-	-
Satisfaction of Program Restrictions	70,000	(70,000)	-	-	31,250	(31,250)	-	-
Total Support and Revenue	1,872,165	(76,089)	-	1,796,076	1,464,484	129,318	-	1,593,802
Expense:								
Program Services:								
Children and Youth	486,715	-	-	486,715	437,614	-	-	437,614
Family Services	811,499	-	-	811,499	558,871	-	-	558,871
Facilities	147,846	-	-	147,846	158,085	-	-	158,085
Total Program Services	1,446,060	-	-	1,446,060	1,154,570	-	-	1,154,570
Support Services:								
Administration	230,275	-	-	230,275	196,375	-	-	196,375
Fund Raising	127,183	-	-	127,183	106,705	-	-	106,705
Total Support Services	357,458	-	-	357,458	303,080	-	-	303,080
Total Expense	1,803,518	-	-	1,803,518	1,457,650	-	-	1,457,650
Change in Net Assets From Operations	68,647	(76,089)	-	(7,442)	6,834	129,318	-	136,152
Other Changes in Net Assets:								
Change in Value of Beneficial Interest in Assets Held at the St. Paul Foundation	9,614	-	26,131	35,745	10,226	-	3,852	14,078
Change in Net Assets	78,261	(76,089)	26,131	28,303	17,060	129,318	3,852	150,230
Net Assets - Beginning of Year	(68,380)	425,535	245,288	602,443	(85,440)	296,217	241,436	452,213
Net Assets - End of Year	$ 9,881	$ 349,446	$ 271,419	$ 630,746	$ (68,380)	$ 425,535	$ 245,288	$ 602,443

The accompanying Notes to Financial Statements
are an integral part of these statements.

EXHIBIT C

HALLIE Q. BROWN COMMUNITY CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED DECEMBER 31, 2017 WITH COMPARATIVE TOTALS FOR 2016

	2017								2016
	Program Services				Support Services				
	Children & Youth	Family Services	Facilities	Total Program Services	Admini-stration	Fund Raising	Total Support Services	Total All Services	Total All Services
Salaries	$ 301,912	$ 175,491	$ 102,542	$ 579,945	$ 75,771	$ 57,265	$ 133,036	$ 712,981	$ 631,461
Employee Benefits	11,116	6,263	3,729	21,108	32,170	1,916	34,086	55,194	61,557
Payroll Taxes	27,001	15,674	9,219	51,894	13,002	4,741	17,743	69,637	62,911
Total Personnel Costs	340,029	197,428	115,490	652,947	120,943	63,922	184,865	837,812	755,929
Participant	90,780	589,979	1,500	682,259	-	-	-	682,259	463,085
Occupancy	29,486	9,581	22,352	61,419	39,250	1,349	40,599	102,018	104,572
Professional Fees	5,729	540	3,781	10,050	36,489	10,175	46,664	56,714	28,303
In-Kind Services	-	-	-	-	-	33,500	33,500	33,500	31,500
Office	4,642	4,669	1,438	10,749	13,869	3,586	17,455	28,204	18,175
Staff & Volunteer	1,122	1,921	-	3,043	9,263	13,078	22,341	25,384	21,852
Telecommunication	7,004	2,715	978	10,697	1,080	212	1,292	11,989	10,509
Other	1,235	626	402	2,263	8,013	360	8,373	10,636	9,658
Transportation	100	971	112	1,183	43	-	43	1,226	1,617
Depreciation and Amortization	6,588	3,069	1,793	11,450	1,325	1,001	2,326	13,776	12,450
Total Expense	$ 486,715	$ 811,499	$ 147,846	$ 1,446,060	$ 230,275	$ 127,183	$ 357,458	$ 1,803,518	$ 1,457,650

The accompanying Notes to Financial Statements
are an integral part of this statement.

EXHIBIT D

HALLIE Q. BROWN COMMUNITY CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED DECEMBER 31, 2016

	Program Services				Support Services			
	Children & Youth	Family Services	Facilities	Total Program Services	Admini-stration	Fund Raising	Total Support Services	Total All Services
Salaries	$ 286,177	$ 108,609	$ 99,132	$ 493,918	$ 92,208	$ 45,335	$ 137,543	$ 631,461
Employee Benefits	12,959	4,474	4,049	21,482	38,316	1,759	40,075	61,557
Payroll Taxes	28,088	11,651	10,499	50,238	8,230	4,443	12,673	62,911
Total Personnel Costs	327,224	124,734	113,680	565,638	138,754	51,537	190,290	755,929
Participant	46,080	416,531	474	463,085	-	-	-	463,085
Occupancy	42,643	11,119	40,244	94,006	9,038	1,528	10,566	104,572
Professional Fees	1,585	-	-	1,585	24,418	2,300	26,718	28,303
In-Kind Services	-	-	-	-	-	31,500	31,500	31,500
Office	4,039	1,050	712	5,801	7,715	4,659	12,374	18,175
Staff & Volunteer	2,514	1,149	-	3,663	4,822	13,367	18,189	21,852
Telecommunication	6,665	1,644	937	9,246	1,053	210	1,263	10,509
Other	442	216	176	834	8,354	470	8,824	9,658
Transportation	248	454	60	762	545	310	855	1,617
Depreciation and Amortization	6,174	1,974	1,802	9,950	1,676	824	2,500	12,450
Total Expense	$ 437,614	$ 558,871	$ 158,085	$ 1,154,570	$ 196,375	$ 106,705	$ 303,080	$ 1,457,650

The accompanying Notes to Financial Statements
are an integral part of this statement.

EXHIBIT E

HALLIE Q. BROWN COMMUNITY CENTER, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
Increase (Decrease) in Cash		
Cash Flows from Operating Activities:		
Change in Net Assets	$ 28,303	$ 150,230
Total Adjustments	(35,597)	61,915
Net Cash Provided (Used) by Operating Activities	(7,294)	212,145
Cash Flows from Investing Activities:		
Pay Out from Beneficial Interest in Asset Held at the St. Paul Foundation	9,614	10,226
Purchases of Equipment	-	(1,684)
Net Cash Provided by Investing Activities	9,614	8,542
Cash Flows from Financing Activities:		
None	-	-
Net Increase in Cash	2,320	220,687
Cash - Beginning of Year	286,491	65,804
Cash - End of Year	$ 288,811	$ 286,491
Supplemental Disclosures of Cash Flow Information		
Cash Paid for:		
Interest	$ -	$ 1,780

The accompanying Notes to Financial Statements
are an integral part of these statements.

1. Summary of Significant Accounting Policies

Organizational Purpose

Founded in 1929, Hallie Q. Brown Community Center, Inc. (the Organization) is a private, nonprofit social service agency serving the Summit University area of Saint Paul, Minnesota. The mission of the Organization is to improve the quality of life in our community by providing access to critical human services, fostering and promoting personal growth, and developing community leadership. In executing this mission, the Organization successfully operates a wide variety of programs, which specifically address the critical needs of community residents.

The Organization currently operates three program areas made up of five core programs along with a number of additional service activities. The program areas are: Children and Youth Programming consisting of the Early Learning Center and the After School and Summer Enrichment; Family Services consisting of the Emergency Food Shelf and Clothing Closet, Seniors programming, and Other Family Services; and Facilities Programming through the Multi-Service Center.

Children and Youth Programming

Early Learning Center – The Hallie Q. Brown Early Learning Center is licensed for 42 infants, toddlers, and preschoolers ages 6 weeks through 5 years old and provides safe, affordable childcare for working parents and community residents on a sliding fee scale. Children are provided with skills and tools to prepare them effectively for kindergarten and beyond. The Early Learning Center is nationally accredited through NAEYC and maintains the highest 4-star rating from Parent Aware MN.

After School and Summer Enrichment Program – The purpose of the After School and Summer Enrichment Program is to provide youth ages 5 to 14 with the resources and opportunities to develop and expand cooperative and interdependent relationships through organized activities. The program is designed to improve academic performance, enhance leadership and communication skills, increase awareness of other cultures, inspire a sense of community pride, and teach the importance of volunteerism and philanthropy to build strong and healthy communities. It operates after school during the year and full day during the summer and school release days.

Family Services

Emergency Food Shelf and Clothing Closet – The Emergency Food Shelf and Clothing Closet administers a broad range of emergency, referral and other support services. Among these services are the Food Shelf which operates from a Client Choice model and Clothing Closet which provides free clothing and small household items for families. The goal is to assist families in achieving self-sufficiency and self-empowerment, thus reducing their dependency on the food shelf and other services for their health and well-being.

1. Summary of Significant Accounting Policies (continued)

Senior Programming – The Organization currently serves as a gathering place for seniors to enhance their independence through a connection to services and activities. In the Early Learning Center and School Age programs, children benefit from intergenerational service components provided by "grandparent" volunteers. Our Magnificent Golden Agers and Retired Men's Club meet monthly. Both of these groups are in a process of renewed outreach and programmatic updates.

Other Family Services – In addition to the core programs of the Organization, activities at the Center include: Special Interest/Family Nights, MLK Recreation, and the 3M Computer Learning and Resource Center.

Facilities

Multi-Service Center - The Martin Luther King Multi-Service Center provides a multi-faceted service delivery to the community. Programs, classes, cultural events and special projects originate from this facility. The agencies providing these services and programs recognize and work to meet the diverse social, cultural and educational needs of their constituents. In addition to the groups using the facility for various program needs, the Martin Luther King Center is the permanent home for additional agencies and organizations.

Fund Accounting

In order to observe the limitation and restrictions placed on resources available to the Organization, the accounts are maintained in accordance with the principles of fund accounting. This is the procedure whereby resources are classified for accounting and reporting purposes into net asset groupings established according to their nature and restriction. A description of the groupings is as follows:

Unrestricted Net Assets – Net assets which are neither permanently nor temporarily restricted by donor-imposed stipulations. These net assets include both board designated and undesignated amounts. Property and equipment is reported as unrestricted net assets.

Temporarily Restricted Net Assets – The part of net assets of the Organization resulting from contributions and other inflows of assets whose use is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions pursuant to those stipulations.

Permanently Restricted Net Assets – The part of the net assets of the Organization resulting from contributions and other inflows of assets whose use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

1. Summary of Significant Accounting Policies (continued)

Investments

The Organization carries its investments at market value.

Accounts Receivable and Doubtful Accounts

The Organization extends credit to its customers on terms it establishes for individual customers. Receivables are recorded at amounts billed and are generally due when billed. Amounts outstanding for more than 30 days are considered delinquent. Accounts receivable are generally uncollateralized and the Organization does not charge interest on accounts receivable balances. The Organization reviews accounts receivable balances on a periodic basis and writes off delinquent receivables when they are considered uncollectible. No allowance for doubtful accounts has been provided as accounts receivable are considered collectable.

Property and Equipment

All major expenditures for property and equipment above $1,000 are capitalized at cost. Contributed items are recorded at fair market value at date of donation. Depreciation is provided through the use of the straight-line method.

Contributions

Contributions are recorded when received and recognized as support in the period received. If donor-imposed restrictions accompany the contribution, the amount is recorded as temporarily or permanently restricted until the donor-imposed restrictions expire or are fulfilled. Temporarily restricted net assets are reclassified to unrestricted in the period donor-imposed restrictions expire or are fulfilled, and are reported in the Statements of Activities under the Support and Revenue Category – Net Assets Released from Restrictions except when the receipt and expiration occur in the same period in which case the contribution is shown as unrestricted.

Promises-To-Give (Grants Receivable)

Unconditional promises-to-give are recognized in the period the promises are made. Conditional promises-to-give are recognized when the conditions on which they depend are substantially met, that is, when the conditional promise becomes unconditional.

Functional Allocation of Expense

Salaries and other expenses are allocated based on job descriptions and the best estimates of management.

1. Summary of Significant Accounting Policies (continued)

Income Tax

The Organization has a tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and has adopted Accounting for Uncertainty in Income Taxes, ASC 740-10. The Organization's policy is to evaluate uncertain tax positions, at least annually, for the potential for income tax exposure from unrelated business income or from loss of nonprofit status. The Organization continues to operate consistent with its original exemption application and each year takes the necessary actions to maintain its exempt status. It has been classified as an organization that is not a private foundation under the Internal Revenue Code and charitable contributions by donors are tax deductible. In compliance with its exempt status, the Organization annually files a Return of Organization Exempt From Income Tax (Form 990). The returns for the years ending December 31, 2014 and later remain subject to examination by the Internal Revenue Service.

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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Deferred Revenue

Rental receipts that are collected in advance of the applicable rental period are recorded as deferred revenue.

Reclassifications

Certain amounts in prior year comparative totals have been reclassified to conform with the presentation in the current year financial statements.

Subsequent Events

The Organization has evaluated the effect that subsequent events would have on the financial statements through March 22, 2018, which is the date financial statements were available to be issued.

2. Financial Instruments

Significant Concentrations of Credit Risk

The Organization provides services within the Twin Cities area. The amounts due for services provided are from individuals and organizations, substantially all of whom are local.

Concentrations of Credit Risk Arising from Cash Deposits in Excess of Insured Limits

At December 31, 2017 and 2016, the Organization held funds at a local financial institution in excess of federally insured limits.

3. Fair Value

The Organization adopted Financial Accounting Standards Board Accounting Standards Codification Topic 820 Fair Value Measurements and Disclosures ("ASC 820"). In accordance with ASC 820, "fair value" is defined as the price that an organization would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. Various inputs are used in determining the value of investments. ASC 820 established a three-tier hierarchy of inputs to establish a classification of fair value measurements for disclosure purposes. The three-tier hierarchy of inputs is summarized in the three broad levels listed below:

- Level 1 – Quoted prices in active markets for identical investments.
- Level 2 – Other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – Significant unobservable inputs.

The following is a summary of the inputs used to determine the fair value of the investments at December 31,

	2017			
	Level 1	Level 2	Level 3	Total
Beneficial Interest in Assets Held at the St. Paul Foundation	$ -	$ 271,419	$ -	$ 271,419

	2016			
	Level 1	Level 2	Level 3	Total
Beneficial Interest in Assets Held at the St. Paul Foundation	$ -	$ 245,288	$ -	$ 245,288

4. Endowment and Reserves Fund

Description

Endowment and Reserves funds consist of permanently restricted and board designated funds established for these purposes:

Funds designated by the Board of Directors to function as endowments are held at the discretion of the Board of Directors with the income and related investment gains to be used to support program activities as approved by the Board of Directors.

Temporarily restricted funds are donor restricted investment income and related gains on permanently restricted funds to be used to support program activities as approved by the Board of Directors.

Permanently restricted funds are donor restricted to be held in perpetuity with the income and related investment gains to be used to support program activities as approved by the Board of Directors.

As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors has interpreted the Minnesota Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift, as of the gift date, of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

4. Endowment and Reserves Fund (continued)

Endowment and Reserves Net Asset Composition by Type of Fund

December 31, 2016	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Beneficial Interest in Assets Held at the St. Paul Foundation	$ -	$ -	$ 245,288	$ 245,288

December 31, 2017	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Beneficial Interest in Assets Held at the St. Paul Foundation	$ -	$ -	$ 271,419	$ 271,419

Changes in Endowment Net Assets

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net Assets December 31, 2015	$ -	$ -	$ 241,436	$ 241,436
Investment Return:				
Investment Income	-	-	3,501	3,501
Unrealized Gain (Loss)	-	-	13,655	13,655
Total Investment Return	-	-	17,156	17,156
Appropriation for Expenditure	-	-	(10,226)	(10,226)
Administration Fees	-	-	(3,078)	(3,078)
Net Assets December 31, 2016	-	-	245,288	245,288
Investment Return:				
Investment Income	-	-	4,072	4,072
Unrealized Gain (Loss)	-	-	34,839	34,839
Total Investment Return	-	-	38,911	38,911
Appropriation for Expenditure	-	-	(9,614)	(9,614)
Administration Fees	-	-	(3,166)	(3,166)
Net Assets December 31, 2017	$ -	$ -	$ 271,419	$ 271,419

5. Property and Equipment

The Organization owned the following assets as of:

	December 31, 2017	December 31, 2016	Estimated Useful Lives
Land	$ 4,203	$ 4,203	
Property Rights	289,872	289,872	40 years
Land Improvements	34,325	34,325	20 years
Leasehold Improvements	420,543	420,543	5-20 years
Furniture and Equipment	169,956	169,956	2-10 years
Vehicles	80,617	80,617	5-7 years
	999,516	999,516	
Less Accumulated Depreciation And Amortization	651,635	637,859	
	$ 347,881	$ 361,657	

Depreciation and Amortization expense of $13,776 and $12,450 was recorded for the years ended December 31, 2017 and 2016, respectively.

6. Line-of-Credit

The Organization maintains a $85,000 reserve line-of-credit due in April 2019 with Bremer Bank at a rate of 4.00%. The line of credit is secured by all business assets. The line-of-credit balance was $0 at both years ended December 31, 2017 and 2016.

7. In-kind Donations

The Organization records in-kind contributions at fair market value at date of donation. In-kind contributions included the following as of:

	December 31,	
	2017	2016
Food, Supplies and Services	$ 614,040	$ 428,131

8. Lease Agreement

The Organization leases program and office space to a tenant under a noncancelable lease. Rental commitments in effect at December 31, 2017, total $123,752. The future annual rental commitments are as follows:

Due in the Year Ending December 31,	
2018	$ 123,752

The rental income was $174,627 and $172,112 for the years ended December 31, 2017 and 2016, respectively.

9. Temporarily Restricted Net Assets

Temporarily restricted net assets consisted of amounts for the following purposes as of:

	December 31,	
	2017	2016
Property Rights and Capital Improvements	$ 296,946	$ 303,035
Early Learning Center	52,520	122,500
	$ 349,466	$ 425,535

10. Defined Benefit Plan – Twin Cities Nonprofit Partners Pension Plan

The Organization participates in a multiemployer defined benefit pension plan in which 16 other agencies also participate. Of the approximately 1,061 participants, 2.50% are employees of the Organization. Effective December 31, 2004, the plan froze benefit accruals and, as a result, employees do not earn additional defined benefits for future services.

As required by the Codified Accounting Standards for this plan, an employer shall recognize as net pension cost the required contribution for the period and shall recognize as a liability any contribution due and unpaid. The funding is determined by the actuary and is allocated based on employee compensation among the participating agencies. The objective in funding the plan is to accumulate sufficient funds to provide for benefits and to achieve full funding to allow for termination of the plan. Because the plan's unfunded projected termination liability exceeds the fair market value of plan assets, continued annual contributions will be required in order to achieve full funding. If any participating agency defaults on their annual contributions, the remaining agencies assume the liability and contributions of the agency in default. Plan assets are invested based on a long term investment strategy and held approximately 30% in fixed income securities and 70% in equity accounts. A summary of the pension liability at December 31, 2017 and 2016 is as follows:

	December 31,	
	2017	2016
Pension Liability Balance	$ 31,775	$ 31,775

The Organization adopted Accounting Standards Update 2011-09 (ASU No. 2011-09), *Disclosures about an Employer's Participation in a Multiemployer Plan*, effective December 31, 2012 which requires additional disclosures about employers' participation in multiemployer pension plans including information about the plan's funded status if it is readily available.

The following table presents information concerning participation in the multiemployer defined benefit pension plan:

	December 31,	
	2017	2016
Legal Plan Name	Twin Cities Nonprofit Partners Pension Plan	
EIN/Plan Number	41-1973442/333	
Pension Protection Act % Funded	110%	110%
Contributions by Hallie Q. Brown	$ 33,916	$ 30,807
Contributions as a Percent of Total Contributed	2.12%	2.00%
Rehabilitation Plan Status	na	na

11. Fiscal Agency

The Organization acts as a fiscal agent for Community Ambassadors. During 2017 and 2016 the net of income and expenses for Community Ambassadors resulted in cash and liability balances of $64,741 and $144,369, respectively.

12. Cash Flow Operating Adjustments

Adjustments to reconcile Changes in Net Assets to Net Cash Provided (Used) by Operating Activities were as follows as of:

	December 31,	
	2017	2016
Depreciation and Amortization	$ 13,776	$ 12,450
Change in Value of Beneficial Interest		
In Assets Held at the St. Paul Foundation	(35,745)	(14,078)
Due to the City of St. Paul	7,445	-
Donated Property Rights	-	(46,308)
Increases (Decreases) in Current Liabilities:		
Accounts Payable	(19,801)	12,749
Accrued Salaries and Vacation	6,225	9,276
Accrued Payroll Taxes	(3,055)	5,038
Other Accrued Expenses	6,906	(5,570)
Funds Held for Others	(7,253)	7,330
Due to the City of St. Paul	10,000	-
Fiscal Agency	(79,628)	144,369
Decreases (Increases) in Current Assets:		
Accounts Receivable	(16,138)	3,785
Grants Receivable	67,906	(63,625)
Prepaid Expenses	13,765	(3,501)
Total Adjustments	$ (35,597)	$ 61,915