

**INTERCONGREGATION COMMUNITIES ASSOCIATION, INC.**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2018

FAIRCHILD MADDOX + LEONIDAS, LTD.

CERTIFIED PUBLIC ACCOUNTANTS

**INTERCONGREGATION COMMUNITIES ASSOCIATION, INC.**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Intercongregation Communities Association, Inc.,

Fairchild  
Maddox  
+  
Leonidas

CERTIFIED PUBLIC ACCOUNTANTS

We have audited the accompanying financial statements of **Intercongregation Communities Association, Inc.** (a nonprofit organization), which comprise the statement of financial position as of September 30, 2018, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of **Intercongregation Communities Association, Inc.** as of September 30, 2018 and changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Report on Summarized Comparative Information

We have previously audited Intercongregation Communities Association, Inc.'s 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 21, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Certified Public Accountants  
Minneapolis, Minnesota  
November 15, 2018

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**INTERCONGREGATION COMMUNITIES ASSOCIATION, INC.**

STATEMENT OF FINANCIAL POSITION

( WITH COMPARATIVE TOTALS FOR 2017)

	September 30,	
	2018	2017
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 501,785	\$ 406,368
Cash - restricted	26,900	21,763
Certificates of deposit	91,904	91,048
Accounts receivable	7,200	-
Pledges receivable, net of reserves	83,278	87,960
Contributions receivable	23,751	35,625
Inventory	221,317	141,908
Prepaid expenses	17,151	11,932
	<b>973,286</b>	796,604
Fixed Assets		
Leasehold improvements and equipment	1,564,646	1,489,188
Less accumulated depreciation	(948,805)	(804,026)
	<b>615,841</b>	685,162
Other Assets		
Pledges receivable, net of reserves	92,965	146,349
Security deposit	6,000	6,000
	<b>98,965</b>	152,349
<b>TOTAL ASSETS</b>	<b>\$ 1,688,092</b>	\$ 1,634,115

	September 30,	
	<u>2018</u>	<u>2017</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Accounts payable	\$ 10,859	\$ 8,046
Accrued wages and benefits	30,976	34,151
Deferred revenue	28,300	23,155
Restricted cash payable	3,199	1,742
Collaborative arrangement payable	23,701	20,021
	<u>97,035</u>	<u>87,115</u>
	Total Current Liabilities	
	<u>97,035</u>	<u>87,115</u>
Net Assets		
Unrestricted	1,390,064	1,271,914
Temporarily restricted		
Grant restricted	24,750	40,777
Donor restricted	176,243	234,309
	<u>1,591,057</u>	<u>1,547,000</u>
	Total Net Assets	
	<u>1,591,057</u>	<u>1,547,000</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><b>\$ 1,688,092</b></u>	<u><b>\$ 1,634,115</b></u>

INTERCONGREGATION COMMUNITIES ASSOCIATION, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

( WITH COMPARATIVE TOTALS FOR 2017 )

	Unrestricted	Temporarily Restricted	For the year ended September 30,	
			2018 Total	2017 Total
<b>SUPPORT AND REVENUE</b>				
Support				
Contributions	\$ 703,647	\$ 60,500	\$ 764,147	\$ 959,351
Government support	58,434	-	58,434	57,404
Foundations/corporate support	328,283	125,000	453,283	448,327
In-kind contributions - food	3,068,020	-	3,068,020	3,004,805
In-kind contributions - other	97,200	-	97,200	97,200
Total Support	<u>4,255,584</u>	<u>185,500</u>	<u>4,441,084</u>	<u>4,567,087</u>
Revenue				
Special event, net of expenses of \$16,966	105,220	-	105,220	123,367
Interest and dividend income	3,200	-	3,200	1,454
Miscellaneous income	4,546	-	4,546	7,359
Blake Road Corridor Collaborative	75,179	-	75,179	56,186
Net assets released from restrictions	259,593	(259,593)	-	-
Total Revenue	<u>447,738</u>	<u>(259,593)</u>	<u>188,145</u>	<u>188,366</u>
<b>TOTAL SUPPORT AND REVENUE</b>	<u>4,703,322</u>	<u>(74,093)</u>	<u>4,629,229</u>	<u>4,755,453</u>
<b>EXPENSES</b>				
Program Expenses				
Emergency assistance	4,024,676	-	4,024,676	4,141,808
Blake Road Corridor Collaborative	75,179	-	75,179	56,186
Total Program Expenses:	<u>4,099,855</u>	<u>-</u>	<u>4,099,855</u>	<u>4,197,994</u>
Management and general	121,329	-	121,329	91,968
Fundraising and development	363,988	-	363,988	341,728
<b>TOTAL EXPENSES</b>	<u>4,585,172</u>	<u>-</u>	<u>4,585,172</u>	<u>4,631,690</u>
<b>CHANGE IN NET ASSETS</b>	<u>118,150</u>	<u>(74,093)</u>	<u>44,057</u>	<u>123,763</u>
Net assets, beginning of year	<u>1,271,914</u>	<u>275,086</u>	<u>1,547,000</u>	<u>1,423,237</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 1,390,064</u>	<u>\$ 200,993</u>	<u>\$ 1,591,057</u>	<u>\$ 1,547,000</u>

INTERCONGREGATION COMMUNITIES ASSOCIATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES  
( WITH COMPARATIVE TOTALS FOR 2017 )

	Program Services			Management and General			Fundraising			Total	
	Emergency Assistance	BRCC	Total Program Services	General						2018	2017
Salaries	\$ 459,567	\$ 62,547	\$ 522,114	\$ 64,627	\$ 193,880	\$ 780,621	\$ 736,029				
Payroll taxes	34,607	4,442	39,049	4,866	14,600	58,515	55,043				
Employee benefits	44,546	4,642	49,188	6,264	18,793	74,245	53,429				
Total salaries and benefits	538,720	71,631	610,351	75,757	227,273	913,381	844,501				
Professional fees	17,862	-	17,862	2,512	7,536	27,910	15,042				
Contracts	44,020	-	44,020	6,190	18,571	68,781	50,801				
Supplies	3,276	2,275	5,551	461	1,382	7,394	8,915				
Postage and shipping	2,579	-	2,579	363	1,088	4,030	3,659				
Printing and publications	1,932	-	1,932	272	815	3,019	1,430				
Insurance	9,043	-	9,043	1,272	3,814	14,129	16,731				
Rent	117,621	1,000	118,621	16,540	49,621	184,782	181,914				
Utilities	20,314	-	20,314	2,856	8,570	31,740	31,153				
Other	6,830	-	6,830	961	2,881	10,672	3,224				
Emergency assistance	102,163	-	102,163	-	-	102,163	104,982				
Food purchased	71,116	-	71,116	-	-	71,116	55,540				
In-kind food donations	2,988,612	-	2,988,612	-	-	2,988,612	3,104,564				
Repairs and maintenance	10,624	-	10,624	1,494	4,482	16,600	11,992				
Uncollectible reserves, net	(8,332)	-	(8,332)	(1,171)	(3,514)	(13,017)	46,970				
Depreciation	92,659	-	92,659	13,030	39,090	144,779	141,837				
Advertising and marketing	4,211	264	4,475	592	1,776	6,843	5,947				
Miscellaneous	1,426	9	1,435	200	603	2,238	2,488				
<b>TOTAL EXPENSES</b>	<b>\$ 4,024,676</b>	<b>\$ 75,179</b>	<b>\$ 4,099,855</b>	<b>\$ 121,329</b>	<b>\$ 363,988</b>	<b>\$ 4,585,172</b>	<b>\$ 4,631,690</b>				

See independent auditor's report and accompanying notes.

**INTERCONGREGATION COMMUNITIES ASSOCIATION, INC.**

STATEMENT OF CASH FLOWS

( WITH COMPARATIVE TOTALS FOR 2017)

	<u>For the year ended September 30,</u>	
	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 44,057	\$ 123,763
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	144,779	141,837
Uncollectible reserves	(13,817)	46,970
Interest reinvested	(856)	(842)
(Increase) decrease in:		
Receivables	76,557	(256,206)
Inventory	(79,409)	99,760
Prepaid expenses	(5,219)	1,903
Increase (decrease) in:		
Accounts payable	2,813	(714)
Accrued wages and benefits	(3,175)	5,721
Deferred revenue	5,145	19,320
NET CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES	<u>170,875</u>	<u>181,512</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	<u>(75,458)</u>	<u>-</u>
NET CASH FLOWS (USED) BY INVESTING ACTIVITIES	<u>(75,458)</u>	<u>-</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	95,417	181,512
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>406,368</u>	<u>224,856</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 501,785</u>	<u>\$ 406,368</u>



# INTERCONGREGATION COMMUNITIES ASSOCIATION, INC.

## FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2018

### NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

#### Nature of Activities

Intercongregation Communities Association, Inc. (ICA) is a nonprofit community-based human services organization providing assistance programs in the Minnesota communities of Minnetonka, Hopkins, Excelsior, Deephaven, Shorewood, Greenwood and Woodland. ICA was formed December 15, 1971. ICA's work is supported by contributions from individuals, congregations, businesses, foundations and government grants.

Emergency Assistance – Community members, businesses, foundations, civic organizations and thirty-six member congregations support ICA's mission "to offer hope as we provide assistance to our neighbors in need". The services primarily consist of the food shelf, plus assistance for rent, mortgages, utility bills, and referrals to other agencies. Program services are intended to help families and individuals through a particularly challenging time.

Blake Road Corridor Collaborative (BRCC) – BRCC is a partnership of governmental and community organizations working to address community concerns in the Blake Road area of Hopkins, Minnesota. This group works together to raise funds which go toward community engagement activities with this diverse, low-income area. ICA oversees the partnership and maintains its financial records.

#### Financial Statement Presentation

The accompanying financial statements have been prepared using the accrual basis of accounting. ICA reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

##### Unrestricted net assets

Unrestricted net assets include unrestricted resources which represent the portion of funds that are available for the operating objectives of ICA. Board-designated net assets represent amounts ICA has set aside for a specific purpose.

##### Temporarily restricted net assets

Temporarily restricted net assets consist of donor-restricted contributions and grants. Amounts restricted by donors for a specific purpose are deemed to be earned and reported as temporarily restricted revenue, when received, and such unexpended amounts are reported as temporarily restricted net assets at year-end. When the donor restriction expires; that is, when a stipulated time 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."

##### Permanently restricted net assets

Permanently restricted net assets consist of donor-restricted contributions, which are required to be held in perpetuity. Income from the assets held is available for either general operations or specific purposes, in accordance with donor stipulations. ICA had no permanently restricted net assets for the years ended September 30, 2018 and 2017 respectively.

# INTERCONGREGATION COMMUNITIES ASSOCIATION, INC.

## FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2018

### NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Contributions

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. All contributions, legacies and grants are recorded when pledged. Funds are considered to be available for unrestricted funds unless specifically restricted by the donor. Contributions that are restricted by the donor are reported as increases in temporarily restricted net assets or permanently restricted net assets in the fiscal year in which the contributions are recognized. When restrictions expire; that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are released to unrestricted net assets.

Funding commitments from the Greater Twin Cities United Way are recorded in the year the United Way board approves the funding.

Conditional contributions are recognized when the conditions on which they depend are substantially met; that is, when the conditional contribution becomes unconditional.

#### In-Kind Donations

Donated services are recorded as contributions at their estimated fair value only if the services create or enhance a nonfinancial asset or if the services require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

ICA regularly receives donated services by many volunteers. However, no amounts have been recognized for these services because they do not meet the criteria described above.

Donated food, materials and facilities are recorded at fair value when received.

#### 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The primary estimates used in preparation of the financial statements are the valuation of contributed food and facility usage, allocation of functional expenses, and the useful lives of leasehold improvements and equipment.

#### Cash and Cash Equivalents

Cash and cash equivalents are considered to have a maturity of three months or less. Cash and cash equivalents for purposes of the statements of cash flows exclude fiscal agency and collaborative arrangement cash and cash held for long-term purposes.

# INTERCONGREGATION COMMUNITIES ASSOCIATION, INC.

## FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2018

### NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Cash and Cash Equivalents (Continued)

Investments - Investments in money market mutual funds are recorded at their fair market values. ICA maintains all money market funds in fixed interest accounts and certificates of deposit.

Credit Risk - ICA maintains cash and temporary cash investments in banks and credit unions. Although at times the amount on deposit in these accounts may exceed the insured limits, ICA has never experienced any losses.

#### Accounts Receivable

Accounts receivable are stated at the amount ICA expects to collect from outstanding balances. Accordingly, no allowance for doubtful accounts is considered necessary.

#### Inventory

Inventory consists of donated food, purchased food, and non-food items. Food is recorded at the estimated fair value of \$1.70 per pound for the years ended September 30, 2018 and 2017, respectively.

#### Leasehold Improvements and Equipment

Property and equipment are recorded at cost. Donated property is recorded at its estimated fair value at the date of receipt. 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, ICA reports expirations of donor restrictions when the donated or acquired assets are placed into service as instructed by the donor. ICA reclassifies temporarily restricted net assets to unrestricted net assets at that time.

The leasehold improvements, vehicle, and equipment are being depreciated using the straight-line method over the useful lives of the assets. Expenditures for maintenance and repairs are charged to operations as incurred; expenditures for betterments and major property renewals are capitalized, at cost, in the property accounts.

#### Collaborative Arrangement

Funds received for collaborative arrangements are recorded as revenue when expended. Such amounts are recorded as restricted cash and liabilities until expended because they are refundable to participants until that time.

# INTERCONGREGATION COMMUNITIES ASSOCIATION, INC.

## FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2018

### NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Management Arrangement

Empty Bowls is an annual event a local school district holds for two entities. ICA co-manages this event and is also one of the beneficiaries. Empty Bowls donated to ICA \$34,500 and \$37,832 for the years ended September 30, 2018 and 2017, respectively. ICA holds restricted cash for the event in the amount of \$3,199 and \$1,742 for the years ended September 30, 2018 and 2017, respectively.

#### Functional Allocation of Expenses

The majority of expenses can be directly identified with the program or supporting services to which they relate and are charged accordingly. Other expenses have been allocated among program and supporting services based on estimates made by ICA's management.

#### Income Taxes

ICA is a tax-exempt Minnesota corporation and has been granted an exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code. As such, ICA is not taxed on income derived from its exempt functions.

### NOTE 2. PROMISES TO GIVE

The Organization conducted a pledge drive during the year to be used for future operations. The pledges are payable over a one to three-year period. The total amount expected to receive is recorded at the net present value of the expected future cash flows discounted at the average rate at 1.67%.

	<u>2018</u>	<u>2017</u>
Current pledges receivable	\$ 92,531	\$ 97,733
Less uncollectible pledge reserves	(9,253)	(9,773)
Net current pledges receivable	<u>\$ 83,278</u>	<u>\$ 87,960</u>
Long-term pledges receivable	\$ 119,500	\$ 185,983
Less uncollectible pledge reserves	(23,900)	(37,197)
Less unamortized discount	(2,635)	(2,437)
Net long-term pledges receivable	<u>\$ 92,965</u>	<u>\$ 146,349</u>
Total pledges receivable	<u><u>\$ 176,243</u></u>	<u><u>\$ 234,309</u></u>

Management evaluated the collectability of pledges receivable based upon correspondence with donors, expectations, no historical data was available. Management estimated that 10% of the current pledges receivable would be uncollectible and an estimate of 20% of the long term pledges receivable would be uncollectible.

# INTERCONGREGATION COMMUNITIES ASSOCIATION, INC.

## FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2018

### NOTE 3. INVENTORY

Inventory consists of the following as of September 30:

	<u>2018</u>	<u>2017</u>
Food items	\$218,400	\$133,923
Nonfood items	<u>2,917</u>	<u>7,985</u>
Total inventory	<u>\$221,317</u>	<u>\$141,908</u>

### NOTE 4. LEASEHOLD IMPROVEMENTS AND EQUIPMENT

Leasehold improvements and equipment consist of the following as of September 30:

	<u>2018</u>	<u>2017</u>
Leasehold improvements	\$ 1,269,561	\$ 1,269,561
Vehicle	134,129	67,681
Equipment	<u>160,956</u>	<u>151,946</u>
	\$ 1,564,646	\$ 1,489,188
Less accumulated depreciation	<u>(948,805)</u>	<u>(804,026)</u>
Total leasehold improvements and equipment	<u>\$ 615,841</u>	<u>\$ 685,162</u>

Depreciation expense of \$144,779 and \$141,837 was recorded for the years ended September 30, 2018 and 2017, respectively.

### NOTE 5. COMMITMENT

The Organization entered into a 3-year commitment on November 1, 2018 for IT Services. The agreement requires a monthly fee of \$1,486.

### NOTE 6. COLLABORATIVE ARRANGEMENT

ICA received \$75,179 in 2018 and \$56,186 in 2017 for the BRCC collaborative. ICA held \$23,701 and \$20,021 at September 30, 2018 and 2017, respectively.

ICA earned administration fees of \$1,000 and \$1,000 in 2018 and 2017, respectively.

# INTERCONGREGATION COMMUNITIES ASSOCIATION, INC.

## FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2018

### NOTE 7. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes or periods as of September 30:

	2018	2017
Food/Food rescue program	\$ 11,250	\$ 10,000
Housing	-	12,444
Snacks and weekend food	13,500	18,333
Donor pledges	176,243	234,309
Total temporarily restricted net assets	<u>\$ 200,993</u>	<u>\$ 275,086</u>

### NOTE 8. CONTINGENCY

Financial awards from governmental entities are often subject to governmental audit. Such audits could result in claims against ICA for disallowed costs or noncompliance with grantor restrictions. If, as a result of such an audit, expenditures are determined to be unallowable, any disallowance will be recorded at the time the demand for a refund is made.

### NOTE 9. CONCENTRATIONS OF RISK

ICA provides the majority of food to those in our seven communities within the Twin Cities area. The food donated is provided from businesses and individuals, substantially all of whom are residents of the seven communities.

### NOTE 10. LEASED FACILITIES

On March 1, 2007, ICA entered into a 20-year lease agreement with the Episcopal Parish of Saint David in Minnetonka (St. David) to lease a building for use as a food shelf distribution center and office space. Currently, ICA primarily uses the building for its offices. St. David constructed the shell of the building and the agreement required ICA to provide the infrastructure. ICA capitalized the cost of the infrastructure as leasehold improvements and is depreciating the improvements over the remaining term of the lease. Lease payments are \$1 per year.

ICA entered into a six-year lease for space to use as a food shelf distribution center in Minnetonka. The lease term expires April 30, 2020. In August 2017, ICA exercised a three-year option to extend its lease to April 30, 2023. Monthly lease payments are \$3,790 increasing annually. ICA is also required to make monthly payments of 24.8% of the operating costs of the building as defined by the lease.

# INTERCONGREGATION COMMUNITIES ASSOCIATION, INC.

## FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2018

### NOTE 10. LEASED FACILITIES (Continued)

Rent expense was as follows as of September 30:

	<u>2018</u>	<u>2017</u>
In-kind rent	\$ 96,000	\$ 96,000
Cash rent - program and office space	<u>88,782</u>	<u>85,914</u>
Total rent expense	<u>\$ 184,782</u>	<u>\$ 181,914</u>

Future minimum lease payments required for the years ending September 30 are as follows:

2019	\$ 47,376
2020	48,781
2021	50,241
2022	51,109
2023	<u>30,714</u>
Total future minimum lease payments	<u>\$ 228,221</u>

### NOTE 11. LEASED COPIER

ICA leases one copier under a non-cancelable operating lease expiring in 2022.

The future minimum operating lease payments for the years ending September 30 are as follows:

2019	\$ 2,484
2020	\$ 2,484
2021	\$ 2,484
2022	<u>\$ 1,863</u>
Total future minimum lease payments	<u>\$ 9,315</u>

Rent expense for the copier leases was \$2,598 and \$4,392 for the years ended September 30, 2018 and 2017, respectively.

### NOTE 12. RECLASSIFICATION

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results.

# INTERCONGREGATION COMMUNITIES ASSOCIATION, INC.

## FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2018

### **NOTE 13. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through November 15, 2018, the date on which the financial statements were available for issue, and identified no significant events or transactions to disclose.