

ST. MARY'S SERVICES
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018



St. Mary's
Services

Contents

INDEPENDENT AUDITOR’S REPORT.....1

FINANCIAL STATEMENTS

 Statements of Financial Position.....3

 Statements of Activities and Changes in Net Assets.....4

 Statements Functional Expenses.....5

 Statements of Cash Flows.....6

 Notes to Financial Statements.....7

Independent Auditor's Report

To the Board of Trustees of
St. Mary's Services
Palatine, Illinois

We have audited the accompanying financial statements of St. Mary's Services (an Illinois not-for-profit corporation), which comprise the statement of financial position as of June 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.

Independent Auditor's Report (Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. Mary's Services as of June 30, 2018, and the changes in its 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 St. Mary's Services 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 29, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

M. Clure, Insogna & Co., Ltd.

October 11, 2018

ST. MARY'S SERVICES**STATEMENTS OF FINANCIAL POSITION****JUNE 30, 2018****(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2017)**

	<u>ASSETS</u>	
	<u>2018</u>	<u>2017</u>
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 323,825	\$ 364,271
Investment Securities	2,565,927	2,842,237
Accounts Receivable	31,654	13,508
Prepaid Expenses	17,169	10,306
Total Current Assets	<u>2,938,575</u>	<u>3,230,322</u>
PROPERTY AND EQUIPMENT, NET		
Land	62,478	-
Building and Improvements	317,003	-
Leasehold Improvements	-	5,200
Furniture and Equipment	37,292	31,972
	416,773	37,172
Less Accumulated Depreciation and Amortization	<u>27,492</u>	<u>24,323</u>
Total Property and Equipment, net	<u>389,281</u>	<u>12,849</u>
OTHER ASSETS		
Beneficial Interest in Perpetual Trusts Held by Others	2,154,949	2,072,412
Investment Securities, Restricted for Endowments	581,840	647,905
Security Deposit	-	2,814
	<u>2,736,789</u>	<u>2,723,131</u>
Total Assets	<u>\$ 6,064,645</u>	<u>\$ 5,966,302</u>
	<u>LIABILITIES AND NET ASSETS</u>	
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 36,207	\$ 12,053
Deferred Rent Liability	-	1,905
Current Liabilities	36,207	13,958
NONCURRENT LIABILITY		
Deferred Rent Liability	-	1,564
Total Liabilities	<u>36,207</u>	<u>15,522</u>
NET ASSETS		
Net Assets Without Donor Restrictions		
Undesignated	3,144,009	3,082,823
Designated	147,640	147,640
Total Unrestricted	3,291,649	3,230,463
Net Assets With Donor Restrictions	2,736,789	2,720,317
Total Net Assets	<u>6,028,438</u>	<u>5,950,780</u>
Total Liabilities and Net Assets	<u>\$ 6,064,645</u>	<u>\$ 5,966,302</u>

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

ST. MARY'S SERVICES

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017)

	Without	With	Total	
	Donor Restrictions	Donor Restrictions	2018	2017
REVENUES, GAINS AND OTHER SUPPORT				
Contributions (\$28,212 In-Kind for 2018)	\$ 185,998	\$ -	\$ 185,998	\$ 158,647
Grants	38,432	-	38,432	15,750
Adoptive Program Fees	231,453	-	231,453	217,421
Educational Initiative Fees	47,801	-	47,801	47,801
Change in Value of Perpetual Trusts	-	82,537	82,537	150,403
Investment Income from Perpetual Trusts	46,040	-	46,040	44,265
Investment Return, net	228,189	-	228,189	372,825
Loss on Disposal of Capital Assets	(1,433)	-	(1,433)	-
Other	3,159	-	3,159	-
Total Revenues, Gains and Other Support	779,639	82,537	862,176	1,007,112
EXPENSES				
Adoptive Program	132,660	-	132,660	130,153
Educational Initiative	78,611	-	78,611	81,457
Maternity Program	235,212	-	235,212	293,373
Management and General	161,552	-	161,552	150,525
Fundraising	176,483	-	176,483	137,384
Total Expenses	784,518	-	784,518	792,892
CHANGE IN NET ASSETS	(4,879)	82,537	77,658	214,220
Release of Donor Restrictions	66,065	(66,065)	-	-
NET ASSETS, BEGINNING OF THE YEAR	3,230,463	2,720,317	5,950,780	5,736,560
NET ASSETS, END OF THE YEAR	\$ 3,291,649	\$ 2,736,789	\$ 6,028,438	\$ 5,950,780

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

ST. MARY'S SERVICES

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017)

	Program Services				Supporting Services			Total	
	Adoptive	Educational	Maternity	Total	Management	Fundraising	Total	2018	2017
	Program	Initiative	Program		and General				
Salaries	\$ 73,427	\$ 34,842	\$ 91,221	\$ 199,490	\$ 79,667	\$ 49,791	\$ 129,458	\$ 328,948	\$ 332,378
Social Worker (In-Kind)	-	8,250	8,250	16,500	-	-	-	16,500	-
Employee benefits	11,766	1,244	14,794	27,804	16,326	5,536	21,862	49,666	45,062
Payroll taxes	6,639	3,780	8,281	18,700	6,903	5,105	12,008	30,708	31,655
Total personnel	91,832	48,116	122,546	262,494	102,896	60,432	163,328	425,822	409,095
Accounting and Auditing	-	-	-	-	13,018	-	13,018	13,018	12,244
Advertising and marketing	9,844	5,849	60,950	76,643	5,849	5,379	11,228	87,871	184,034
Service charges	513	50	77	640	50	3,469	3,519	4,159	4,143
Computer	1,780	1,393	2,166	5,339	2,327	1,006	3,333	8,672	5,454
Consultation--non-medical	-	-	-	-	1,000	-	1,000	1,000	-
Depreciation and amortization	2,009	1,572	2,446	6,027	1,573	1,136	2,709	8,736	6,405
Education	1,563	2,788	1,230	5,581	1,335	375	1,710	7,291	5,923
Insurance	3,288	2,527	4,006	9,821	2,562	1,895	4,457	14,278	12,858
Equipment rental	248	194	302	744	195	141	336	1,080	2,758
Occupancy (\$12,712 In-Kind for 2018)	12,679	9,922	15,436	38,037	12,582	7,166	19,748	57,785	39,780
Legal	-	-	1,520	1,520	7,530	-	7,530	9,050	9,533
Contractual services	345	270	421	1,036	270	195	465	1,501	1,401
Outreach	375	293	699	1,367	302	212	514	1,881	2,161
Postage and delivery	402	281	444	1,127	310	203	513	1,640	1,849
Purchased services									
Medical	-	-	6,005	6,005	-	-	-	6,005	80
Nonmedical	-	-	7,967	7,967	-	-	-	7,967	3,965
Supplies	166	130	203	499	2,634	94	2,728	3,227	2,645
Moving and Permits	1,993	1,520	2,399	5,912	1,732	1,114	2,846	8,758	-
Telephone	2,300	1,941	3,300	7,541	2,506	930	3,436	10,977	11,849
Temporary help	-	-	-	-	-	42,000	42,000	42,000	11,511
Transportation	1,687	1,624	2,542	5,853	835	168	1,003	6,856	9,650
Special events	-	-	-	-	-	50,147	50,147	50,147	52,480
Miscellaneous expenses	1,636	141	553	2,330	2,046	421	2,467	4,797	3,074
Total expenses	\$ 132,660	\$ 78,611	\$ 235,212	\$ 446,483	\$ 161,552	\$ 176,483	\$ 338,035	\$ 784,518	\$ 792,892

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

ST MARY'S SERVICES

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2018

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017)

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 77,658	\$ 214,220
Adjustments to Reconcile Change in Net Assets to Cash Used in Operating Activities:		
Depreciation and Amortization	8,736	6,405
Change in Value of Perpetual Trusts Held by Others	(82,537)	(150,403)
(Gain) Loss on Sale of Investments, net	(175,651)	(320,828)
Loss on Disposal of Capital Assets	1,433	-
(Increase) Decrease in Accounts Receivable	(18,146)	27,860
(Increase) Decrease in Prepaid and Other Assets	(4,049)	8,282
Increase (Decrease) in Accounts Payable and Other Accruals	24,154	(20,469)
Increase (Decrease) in Deferred Rent Liability	(3,469)	(1,251)
Net Cash Used in Operating Activities	(171,871)	(236,184)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(386,602)	-
Proceeds from Sale and Maturities of Investments	767,420	5,412,764
Purchase of Investments	(249,393)	(5,019,717)
Net Cash Provided by Investing Activities	131,425	393,047
Net Increase (Decrease) in Cash and Cash Equivalents	(40,446)	156,863
Cash and Cash Equivalents, Beginning of Year	364,271	207,408
Cash and Cash Equivalents, End of Year	\$ 323,825	\$ 364,271
Income Taxes Paid during the Year	\$ -	\$ -
Interest Paid during the Year	\$ -	\$ -

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

Note 1: Summary of Significant Accounting Policies

This summary of significant accounting policies of St. Mary's Services (the Organization) is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management, which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

A. Nature of Organization Activities

St. Mary's Services is a not-for-profit charitable corporation, founded in 1887, providing maternity, adoption and counseling services. Among its major programs are adoption services, maternity programs to pregnant adolescents and women, including counseling, and financial assistance as needed, consulting and education services including pre-adoptive parent preparation classes for prospective parents. Recently, St. Mary's has added counseling services related to: perinatal mood disorders, postpartum depression and anxiety, grief, loss of pregnancy and adjustment to motherhood.

B. Basis of Presentation

The financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Organization is required to report information regarding its financial position and activities according to two classes of net assets, those without donor restrictions and those with donor restrictions. This is in conformity with FASB's ASU 2017-14 which has been adopted early.

With Donor Restrictions – Net assets subject to donor-imposed stipulations that must be maintained by the Organization until the restriction is satisfied, or in perpetuity. The donors of these assets permit St. Mary's to use all or part of the income earned on related investments for unrestricted purposes.

Without Donor Restrictions – Net assets not subject to donor imposed stipulations.

C. Cash and Cash Equivalents

Cash and cash equivalents consist of amounts in demand deposit accounts, a money market account and a money market mutual fund.

D. Investments

Investments are stated at fair market value primarily based on quoted market prices. Investment income is recorded on the accrual basis; purchases and sales of investments are reflected on a trade-date basis. Unrealized gains or losses are based on the change in market value of the assets from the beginning to the end of the fiscal year. Realized gains or losses are based on the change in market value of the assets from the date acquired to the date of sale.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

All of the income, as defined by the perpetual trusts, is paid out in quarterly installments to St. Mary's. Income from St. Mary's controlled investments is withdrawn as needed to cover operating expenses.

The Organization invests in various investment securities. Investment securities in general are subject to various risks, such as interest rate, credit and overall market volatility. Due to the level or risk associated with certain investment securities, it is reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

E. Permanently Restricted Funds (formerly Endowment Funds) Investment Policy

The investment objective of St. Mary's Services is to generate an annual total rate of return for the funds sufficient to produce the following results:

1. Finance distributions (and cover related operational expenses of the Endowment) of 4-6% of the average market value of the Endowment over a three year moving average period, as agreed upon by the Trustees;
2. Inclusive of the above, grow the value of the corpus of the Endowment annually by at least the annual rate of inflation (CPI) for that year; and
3. Inclusive of 1 and 2, cause the real value of the Endowment to increase.

The above financial results should be sought without incurring a level of rate-of-return volatility materially greater than that generally associated with endowment investment programs. These results if not attainable in any given year, should be achieved on average over long periods of time to the extent allowed by returns in the broad markets. The earnings of the permanently restricted funds is for the unrestricted use of the Organization.

F. Accounts Receivable

Receivables are valued at management's estimate of the amount that will ultimately be collected. Write-offs of uncollectible balances are reported at such times that collectability is determined unlikely. Management believes that all receivables are collectible; consequently no reserve for uncollectible accounts has been recorded as of June 30, 2018 and 2017.

G. Property and Equipment

Purchased property and equipment are stated at cost. Donated property and equipment are carried at the approximate fair value at the date of donation. The Organization's capitalization policy is currently \$3,000 (\$500 in years ending before July 1, 2016). Depreciation is calculated based on estimated useful lives of the assets and amortization of leasehold improvements is provided over the shorter of their useful life or the remaining lease term using the straight-line method.

Building and Improvements	5-25 years
Leasehold improvements	5 years
Furniture and equipment	3 - 7 years

Note 1: Summary of Significant Accounting Policies (Continued)

H. Contributions

Contributions, including unconditional promises to give, are recorded when made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give with due dates extending beyond one year are discounted. Donor restricted contributions are reported as increases in the donor restricted funds. When a restriction is satisfied, restricted net assets are reclassified to unrestricted net assets. Contributions received with temporary restrictions that are met in the same reporting period are reported as unrestricted support and increase unrestricted net assets.

I. Beneficial Interest in Perpetual Trusts Held by Others

The Organization is the beneficiary of perpetual irrevocable trusts held and administered by independent trustees. Under the terms of the trusts, the Organization has the irrevocable right to receive the income earned on the trust assets in perpetuity. The fair value of the beneficial interest in the trust is recognized as an asset and as a donor restricted contribution at the date the trust is established. The Organization's estimate of fair value is based on fair value information received from the trustees. The trust assets consist of, but are not limited to, cash and cash equivalents, and equity and fixed income securities. These assets are not subject to the control or direction of the Organization. Gains and losses, which are not distributed by the trusts, are reflected as change in value of perpetual trusts held by others in the statement of activities and changes in net assets. Income from these trusts is distributed quarterly to St. Mary's and is unrestricted as to use.

J. Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities and changes in net assets and the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. If evident from the type of expense it is charged directly to the program or supporting service. Other costs are allocated based on the number of full-time employees working in each program or supporting services. Some employees' time were spread among multiple programs and supporting services.

K. Advertising

The Organization expenses advertising costs as incurred. Advertising expense was \$87,871 and \$184,034 for the years ended June 30, 2018 and 2017, respectively.

L. Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization recognizes the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. The

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Organization is no longer subject to U.S. federal, state and local income tax examinations by tax authorities for the years before the tax year ended June 30, 2015.

M. 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. Actual results could differ from those estimates.

N. Comparative Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class or by functional expense classification. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2017, from which the summarized information was derived.

Note 2: Concentrations of Credit Risk – Cash

At June 30, 2018 the Organization had \$210,868 in uninsured cash accounts held with their investment broker. St. Mary's has not experienced and does not anticipate any losses due to the uninsured balances in these accounts.

Note 3: Investments and Fair Value Measurement

Generally accepted accounting principles provide a uniform framework for the definition, measurement and disclosure of fair value measurements. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Such accounting guidance also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted market prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Notes to Financial Statements

Note 3: Investments and Fair Value Measurement (Continued)

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There were no changes to valuation methodologies at June 30, 2018.

St. Mary's investments in equity securities are valued based on quoted market prices and are categorized in Level 1 of the investment hierarchy.

Fair values of assets measured on a recurring basis at June 30, 2018 is as follows:

	Fair Value	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
June 30, 2018				
Equity securities	\$ 900,127	\$ 900,127	\$ -	\$ -
Mutual Funds	2,247,640	2,247,640	-	-
	<u>\$ 3,147,767</u>	<u>\$ 3,147,767</u>	<u>\$ -</u>	<u>\$ -</u>

Of the \$3,147,767 of St. Mary's investments, \$581,840 represents funds permanently restricted by donors as endowments and the remaining \$2,565,927 is unrestricted for the Organization's charitable purposes.

Note 4: Perpetual Trusts Held by Others

The Organization is the beneficiary of two perpetual trusts that are administered by trustees outside the Organization. Although the assets of these trusts are not in its possession, the Organization will receive the income earned on trust assets in perpetuity. The Organization's interest in each trust is as follows:

	Percent Interest
Calvin B. Beach	50%
Bishop of Chicago	Less than 5%

The Organization's share of the assets held in these trusts at June 30, 2018 is as follows:

Calvin B. Beach	\$ 2,077,860
Bishop of Chicago	<u>77,089</u>
	<u>\$ 2,154,949</u>

Notes to Financial Statements

Note 4: Perpetual Trusts Held by Others (Continued)

The investments held in the perpetual trusts, which are Level 1 assets (see Note 3), as reported by the trustees, consisted of the following at June 30, 2018:

Cash and short-term investments	\$ 24,167
Fixed income securities	827,418
Equity securities	1,075,046
Commodity funds	108,177
Real estate funds	43,052
Other	<u>77,089</u>
Total Perpetual Trust Investments	<u><u>\$2,154,949</u></u>

Income from these trusts, paid directly to St. Mary's in quarterly payments, totaled \$46,040. This income is unrestricted.

Note 5: Restrictions and Limitations On Net Assets

St. Mary's donor restricted funds (formerly called endowment funds) consist of various funds established for promoting child welfare and the operation of the Organization. These funds are permanently restricted by donors. St. Mary's invests its restricted funds in broadly diversified portfolios of equity and fixed income funds to maximize total return consistent with prudent risk limitations. Income from the restricted funds is unrestricted in accordance with the donor's wishes and the board's instructions.

Permanently restricted net assets at June 30, 2018 consist of the following:

Restricted Funds	
George D. and Isabella Brown Fund	\$ 540,629
Thomas D. Lowther Trust	16,789
Scholarship Fund	<u>24,422</u>
	<u>581,840</u>
Beneficial Interest In Perpetual trusts Held by Others	
Calvin B. Beach	2,077,860
Bishop of Chicago	<u>77,089</u>
	<u>2,154,949</u>
	<u><u>\$2,736,789</u></u>

During the year ended June 30, 2018, the Organization received permission from the State of Illinois to remove the permanent restrictions on \$66,065 of the smaller funds.

Notes to Financial Statements

Note 5: Restrictions and Limitations On Net Assets (Continued)

Permanently Restricted Net Assets Activity

	Endowment Funds	Perpetual Trusts
	<u> </u>	<u> </u>
June 30, 2017 balances	\$ 647,905	\$ 2,072,412
Investment return, net	41,840	46,040
Contributions	-	-
Amounts appropriated for expenditure	(41,840)	(46,040)
Reclassification of funds to unrestricted	(66,065)	-
Change in value	<u>-</u>	<u>82,537</u>
June 30, 2018 balances	<u>\$ 581,840</u>	<u>\$ 2,154,949</u>

Board designated net assets are those funds set aside by the board for a specific purpose or so that the balance of the original donation can be tracked. Board designated net assets at June 30, 2018 consist of the following:

Scholarship Fund	\$ 81,857
Maria Arbeen Memorial Fund	<u>65,783</u>
	<u>\$ 147,640</u>

There have been no additions to, or disbursements from, these funds during the year ended June 30, 2018.

Note 6: Building Purchased

On December 28, 2017, St. Mary's purchased a building in Palatine to house its offices. No mortgage was required.

Note 7: Contributed Goods and Services

For the year ended June 30, 2018, the Organization received in-kind contributions totaling \$29,212. Furniture, supplies and services were donated to furnish, supply and set up offices in the new building. No in-kind amounts were capitalized. In addition, a social worker volunteers her time to the Organization, which has been valued at \$16,500.

Note 8: Defined Contribution Pension Plan

In September 2017 the board voted to establish a Simple IRA plan, to be offered to full-time employees that have been employed one year or longer. St. Mary's will match the employee's contribution equal to the employee's salary reduction contributions up to a limit of 3% of the employee's compensation for the calendar year. Employees may choose among various mutual funds to contribute to. The employees can change their contribution amounts quarterly. For the year ended June 30, 2018, St. Mary's contributed \$3,505 on behalf of its employees.

Notes to Financial Statements

Note 9: Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued.