

**THE GATHERING OF SOUTHEAST WISCONSIN, INC.**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**  
**(With Summarized Totals for the Year Ended June 30, 2017)**

**THE GATHERING OF SOUTHEAST WISCONSIN, INC.**

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## Independent Auditor's Report

Board of Directors  
The Gathering of Southeast Wisconsin, Inc.

We have audited the accompanying financial statements of The Gathering of Southeast Wisconsin, Inc. which comprise the balance sheet as of June 30, 2018, and the related statements of activities 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 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 purposes 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 The Gathering of Southeast Wisconsin, Inc. 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.

**Ritz Holman LLP**  
*Serving business, nonprofits, individuals and trusts.*

330 E. Kilbourn Ave., Suite 550  
Milwaukee, WI 53202  
t. 414.271.1451  
f. 414.271.7464  
ritzholman.com

Board of Directors  
The Gathering of Southeast Wisconsin, Inc.

### **Report on Summarized Comparative Information**

We have previously audited The Gathering of Southeast Wisconsin, Inc.'s June 30, 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 2, 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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

  
RITZ HOLMAN LLP  
Certified Public Accountants

Milwaukee, Wisconsin  
October 5, 2018

**THE GATHERING OF SOUTHEAST WISCONSIN, INC.**  
**BALANCE SHEET**  
**JUNE 30, 2018**  
**(With Summarized Totals for June 30, 2017)**

ASSETS		
	2018	2017
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 104,960	\$ 115,536
Grants Receivable	34,721	15,075
Prepaid Expenses	6,331	4,483
Total Current Assets	\$ 146,012	\$ 135,094
<b>FIXED ASSETS</b>		
Leasehold Improvements	\$ 13,825	\$ 13,825
Equipment	65,714	62,968
Total Fixed Assets	\$ 79,539	\$ 76,793
Less: Accumulated Depreciation	(44,960)	(56,774)
Net Fixed Assets	\$ 34,579	\$ 20,019
<b>OTHER ASSETS</b>		
Investments	\$ 295,559	\$ 275,777
Mooney Scholarship Fund	18,497	17,448
Beneficial Interest - Greater Milwaukee Foundation	132,698	127,362
Total Other Assets	\$ 446,754	\$ 420,587
<b>TOTAL ASSETS</b>	<b>\$ 627,345</b>	<b>\$ 575,700</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 1,456	\$ 1,193
Credit Card Payable	3,142	3,959
Accrued Payroll Liabilities	5,550	4,665
Current Portion of Capital Lease Obligations	1,863	1,453
Total Current Liabilities	\$ 12,011	\$ 11,270
<b>LONG-TERM LIABILITIES</b>		
Capital Lease Obligations	\$ 3,218	\$ 4,672
Less: Current Portion of Capital Lease Obligations	(1,863)	(1,453)
Total Long-Term Liabilities	\$ 1,355	\$ 3,219
Total Liabilities	\$ 13,366	\$ 14,489
<b>NET ASSETS</b>		
Unrestricted	\$ 460,784	\$ 414,401
Temporarily Restricted	141,169	134,784
Permanently Restricted	12,026	12,026
Total Net Assets	\$ 613,979	\$ 561,211
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 627,345</b>	<b>\$ 575,700</b>

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

**THE GATHERING OF SOUTHEAST WISCONSIN, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2018**  
**(With Summarized Totals for the Year Ended June 30, 2017)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2018 Total</u>	<u>2017 Total</u>
<b>REVENUE</b>					
Churches	\$ 41,874	\$ ---	\$ ---	\$ 41,874	\$ 44,067
Individuals	153,093	---	---	153,093	133,688
Corporations	44,236	---	---	44,236	23,037
Capital Campaign	---	---	---	---	68,525
Memorials - Bequests	22,457	---	---	22,457	14,585
Foundations	165,426	---	---	165,426	166,415
Hunger Relief Fund of Wisconsin	13,148	---	---	13,148	14,059
State and Federal Income	35,252	---	---	35,252	33,156
United Way	11,172	---	---	11,172	12,233
In-Kind Donations	368,574	---	---	368,574	323,363
Special Event Income	35,600	---	---	35,600	31,825
Special Event Expenses	(13,587)	---	---	(13,587)	(11,144)
Investment Income	18,402	12,203	---	30,605	44,495
Gain (Loss) on Disposal of Fixed Assets	---	---	---	---	(3,648)
Net Assets Released from Restrictions	5,818	(5,818)	---	---	---
<b>Total Revenue</b>	<u>\$ 901,465</u>	<u>\$ 6,385</u>	<u>\$ ---</u>	<u>\$ 907,850</u>	<u>\$ 894,656</u>
<b>EXPENSES</b>					
Community Meals Program	\$ 764,116	\$ ---	\$ ---	\$ 764,116	\$ 737,387
Management and Supporting Services	54,598	---	---	54,598	54,623
Fundraising	36,368	---	---	36,368	36,756
<b>Total Expenses</b>	<u>\$ 855,082</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 855,082</u>	<u>\$ 828,766</u>
<b>CHANGE IN NET ASSETS</b>	<b>\$ 46,383</b>	<b>\$ 6,385</b>	<b>\$ ---</b>	<b>\$ 52,768</b>	<b>\$ 65,890</b>
Net Assets, Beginning of Year	<u>414,401</u>	<u>134,784</u>	<u>12,026</u>	<u>561,211</u>	<u>495,321</u>
<b>NET ASSETS, END OF YEAR</b>	<u><u>\$ 460,784</u></u>	<u><u>\$ 141,169</u></u>	<u><u>\$ 12,026</u></u>	<u><u>\$ 613,979</u></u>	<u><u>\$ 561,211</u></u>

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

**THE GATHERING OF SOUTHEAST WISCONSIN, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2018**  
**(With Summarized Totals for the Year Ended June 30, 2017)**

	<u>2018</u>	<u>2017</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 52,768	\$ 65,890
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities		
Depreciation Expense	6,734	3,474
Loss on Disposal of Fixed Assets	---	3,648
Donated Fixed Assets	---	(3,100)
Unrealized and Realized (Gain) Loss on Investments	(22,418)	(44,491)
(Increase) Decrease in Grants Receivable	(19,646)	6,040
(Increase) Decrease in Prepaid Expenses	(1,848)	(2,079)
Increase (Decrease) in Accounts Payable	263	(1,798)
Increase (Decrease) in Credit Card Payable	(817)	609
Increase (Decrease) in Accrued Payroll and Liabilities	885	(10,877)
	<u>\$ 15,921</u>	<u>\$ 17,316</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from Sale of Investments	\$ 5,818	\$ 35,528
Purchases of Investments	(9,567)	---
Purchase of Fixed Assets	(21,294)	(5,056)
	<u>\$ (25,043)</u>	<u>\$ 30,472</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment on Capital Lease Obligation	\$ (1,454)	\$ (1,134)
	<u>\$ (1,454)</u>	<u>\$ (1,134)</u>
Net (Decrease) Increase in Cash and Cash Equivalents	\$ (10,576)	\$ 46,654
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>115,536</u>	<u>68,882</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 104,960</u>	<u>\$ 115,536</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Interest Paid	\$ 1,012	\$ 1,332
Donated Fixed Assets	---	3,100

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

**THE GATHERING OF SOUTHEAST WISCONSIN, INC.**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2018**



**THE GATHERING OF SOUTHEAST WISCONSIN, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE A - Summary of Significant Accounting Policies**

**Organization**

The Gathering of Southeast Wisconsin, Inc. provides meals and associated services or programs to those who would otherwise go hungry or without.

**Accounting Method**

The financial statements of the Organization have been prepared on the accrual basis of accounting.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, cash and cash equivalents include all highly liquid debt instruments with original maturities of three months or less.

**Fixed Assets**

Fixed assets in excess of \$1,000 are recorded at cost. Depreciation is provided over the useful life of the assets using the straight-line method.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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.

Management believes all receivables will be collected in accordance with the terms of the agreements. Thus, no allowance for uncollectible accounts is necessary at year end.

**Basis of Presentation**

The Organization reports 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. Assets of the restricted classes are created only by donor-imposed restrictions.

At June 30, 2018, the Organization had \$132,698 of temporarily time-restricted net assets, \$8,471 of temporarily purpose-restricted net assets and \$12,026 of permanently restricted net assets.

**Contributions and Donations**

All contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as temporarily or permanently restricted support and increase the respective class of 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. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Investment income that is limited to specific uses by donor restrictions is reported as increases in unrestricted net assets if the restrictions are met in the same reporting period as the income is recognized.

**NOTE B - Comparative Financial Information**

**THE GATHERING OF SOUTHEAST WISCONSIN, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

The financial information shown for 2017 in the accompanying financial statements is included to provide a basis for comparison with 2018 and presents summarized totals only. The comparative information is summarized by total only, not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity to generally accepted accounting principles. 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 C - Beneficial Interest - Greater Milwaukee Foundation**

The Organization has two accounts that are located at the Greater Milwaukee Foundation. The first account is a designated fund in which the Organization has a 100% beneficial interest. The balance of this account at June 30, 2018, was \$26,923. The principal from this account is inaccessible to the Organization; they only have access to the income earned. In accordance with generally accepted accounting principles, the principal amounts are not recorded on the Organization's statements of financial position.

The second account is the Gathering Memorial Fund, an Agency Endowment Fund, created by the Organization with the Greater Milwaukee Foundation. The balance of this account at June 30, 2018, was \$132,698. The principal from this account is inaccessible to the Organization; they only have access to the interest earned.

The Organization has adopted Financial Accounting Standards Transfers of Assets to Not-for-Profit or Charitable Trust That Raises or Holds Contributions for Others. The Organization has designated itself as the sole beneficiary of the income from the investment of these funds. The board of trustees of the Greater Milwaukee Foundation shall have the power to modify any restriction or condition on the distribution of funds for any specified charitable purpose or to a specified organization if, in the sole judgment of the board, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served.

**NOTE D - Mooney Scholarship Fund**

A permanently restricted endowment fund has been set up by the Organization for the Michelle Mooney Scholarship Fund of The Gathering. This money is held by the Trustees of Funds and Endowments, Inc. When the principal balance of the fund reaches \$10,000, distributions can be made. Distributions will be granted upon the recommendation of the Board of Directors of the Organization. At June 30, 2018, the fair value of this account was \$18,497.

**NOTE E - Investments**

**THE GATHERING OF SOUTHEAST WISCONSIN, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

Investments are stated at fair market value.

Investment income consists of the following at June 30, 2018:

Interest and Dividends	\$ 9,569
Investment Fees	(1,382)
Realized Gain	9,894
Unrealized Gain	<u>12,524</u>
Total	<u>\$30,605</u>

**NOTE F - Endowment**

**Interpretation of Relevant Law**

The State of Wisconsin adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and Enhanced Disclosures for All Endowment Funds. UPMIFA requires that the portion of a donor-restricted endowment fund that is classified as permanently restricted net assets is not reduced by losses on the investment of the fund, except to the extent required by the donor. Likewise, the amount of permanently restricted net assets is not reduced by an organization's appropriations from the fund. The portion of the fund that is not classified as permanently restricted net assets is reported as temporarily restricted net assets until appropriated for expenditure by the Organization.

The Organization has adopted the following investment objectives, goals and guidelines:

**Investment Objectives**

The Organization's investments are defined as a hybrid combination of endowment and savings account. When possible, investments will resemble an endowment with the principal remaining invested according to investment goals and guidelines below. However, should the Organization require additional dollars to fund operations (beyond what is available in cash and cash equivalents at the time), investments will serve as a reserve savings account, and a portion of the investments may be liquidated to fund operations as needed.

In accordance with the existing policy, investments are to remain within a target band of six (6) to twelve (12) months of the current fiscal year operating budget. Should investments drop below the six-month band or exceed the 12-month band, the Organization's financial position will be reassessed by the Board of Directors.

**NOTE F - Endowment (continued)**

**Investment Goals**

**THE GATHERING OF SOUTHEAST WISCONSIN, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

Based on the investment objectives stated above, the goals pertaining to investments include:

- Capital preservation.
- Prudent growth over an investment cycle, defined as net returns exceeding inflation over a three- to five- year period in order to preserve purchasing power.
- Liquidity and accessibility to assets should they be needed to fund operations.
- Minimization of investment expenses, including mutual fund expense ratios and transaction costs.

While capital preservation is important, a strategy that is positioned too conservatively may, over time, lead to such low returns that inflation alone diminishes the relative value of the fund. Because The Gathering of Southeast Wisconsin, Inc. is an organization whose work will most likely be needed in perpetuity, investing for some growth over the long term is prudent even if it can be somewhat unsettling in the short term, particularly in the case of a market downturn. Investment according to the guidelines below should provide sufficient capital preservation in down markets while remaining invested in equities for long-term growth.

**Investment Guidelines**

Given the investment goals stated above, the following are allocation targets for investments:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Allowable Range</u>
Equity	60%	45-70%
Fixed Income*	40%	30-55%

\*Fixed income includes cash and cash equivalents within assets designated as investments.

Direct investment in alternative investments (including, but not limited to, real estate and hedge funds) is not considered appropriate for the Organization's investments.

Fund distributions (dividends and capital gains) are to be reinvested.

Endowment net assets composition as of June 30, 2018, is as follows:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Net Assets</u>
Michelle Mooney Scholarship Fund	<u>\$6,471</u>	<u>\$12,026</u>	<u>\$18,497</u>
Total	<u>\$6,471</u>	<u>\$12,026</u>	<u>\$18,497</u>

**NOTE F - Endowment (continued)**

Changes in endowment net assets as of June 30, 2018 are as follows:

**THE GATHERING OF SOUTHEAST WISCONSIN, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Net Assets</u>
Endowment Net Assets, Beginning of Year	\$5,422	\$12,026	\$17,448
Contributions	---	---	---
Investment Income	1,049	---	1,049
Net Appreciation	---	---	---
Amounts Appropriated for Expenditure	<u>---</u>	<u>---</u>	<u>---</u>
Endowment Net Assets, End of Year	<u>\$6,471</u>	<u>\$12,026</u>	<u>\$18,497</u>

**NOTE G - Fair Value Measurements**

The Organization has adopted the Financial Accounting Standards Board guidance on fair value measurements. A three-tier hierarchy is used to maximize the use of observable market data inputs and minimize the use of unobservable inputs, and to establish classification of fair value measurements for disclosure purposes. Financial assets valued using level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets valued using level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets. Financial assets valued using level 3 inputs are based primarily on valuation models with significant unobservable pricing inputs and which result in the use of management estimates.

The following table sets forth, by level within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2018:

<u>Investment Category</u>	<u>Fair Value</u>	<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Mutual Funds	\$295,559	\$295,559	\$ ---	\$ ---
Michelle Mooney Fund	18,497	18,497	---	---
GMF Investments	<u>132,698</u>	<u>---</u>	<u>---</u>	<u>132,698</u>
Total	<u>\$446,754</u>	<u>\$314,056</u>	<u>\$ ---</u>	<u>\$132,698</u>

GMF Investments include equities securities, fixed income securities, absolute return hedge funds and long/short equity hedge funds. These funds are held by the Greater Milwaukee Foundation.

**NOTE G - Fair Value Measurements (continued)**

The Michelle Mooney Scholarship Fund of the Gathering includes cash and equities securities. The funds are held by the Trustees of Funds and Endowment, Inc.

**THE GATHERING OF SOUTHEAST WISCONSIN, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	<u>Fair Value Measurements Using Significant Unobservable Inputs (Level 3)</u>	
	<u>GMF Investment</u>	<u>Total</u>
Beginning Balance, July 01, 2017	\$127,362	\$127,362
Total Gains or Losses (Realized/Unrealized)	8,458	8,458
Purchases, Issuances, and Settlements	2,696	2,696
Grants Distributed	(4,436)	(4,436)
Investment Fees	(1,382)	(1,382)
Transfers in and/or out of Level 3	---	---
Ending Balance, June 30, 2018	<u>\$132,698</u>	<u>\$132,698</u>

**NOTE H - Capital Lease**

The Organization has a capital lease for a copy machine with a fair market value of \$6,999 at lease inception. The economic substance of the lease is that the Organization is financing the acquisition of the asset through the lease and, accordingly, it is recorded in the Organization's assets and liabilities. The assets are included under Fixed Assets and are being depreciated over the lease terms and useful life of five years. Accumulated depreciation was \$4,783 as of June 30, 2018, and depreciation expense of \$1,400 is included in the year ended June 30, 2018.

The following is a schedule by years of the future minimum lease payments required as of June 30, 2018:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$1,863	\$603	\$2,466
2020	1,355	118	1,473
Total	<u>\$3,218</u>	<u>\$721</u>	<u>\$3,949</u>

**NOTE I - Operating Leases**

The Organization operates at four different locations. At one location, the Organization entered into a one-year occupancy lease agreement on October 1, 2017. The lease will automatically renew annually absent a termination notice 60 days prior to termination. Each year the monthly rent payment increases 9.0%. The monthly payments are \$1,381 as of

**THE GATHERING OF SOUTHEAST WISCONSIN, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

June 30, 2018. The Organization has another one-year occupancy lease that will increase 3% upon renewal. The monthly payments are \$1,545 as of June 30, 2018. The other locations are on month-to-month agreements.

**NOTE J - In-Kind Donations**

The Organization receives various in-kind donations. These in-kind donations are valued at fair market value on the date of donation and are included in both revenue and expenses.

In-kind donations consist of the following for the year ended June 30, 2018:

	<u>Amount</u>
Leadership Volunteers	\$ 99,381
Donated Food	<u>269,193</u>
Total	<u>\$368,574</u>

The Organization also received group and individual volunteer meal serving, cleaning, decorating, cooking assistance and organizing services at all meal sites for the year ended June 30, 2018.

**NOTE K - Employment Contract**

The Organization has a contract with a professional employer organization during 2018 to lease employees. The salaries, payroll taxes and employee benefits have been allocated on the schedule of functional expenses for the Organization's leased employees.

**NOTE L - Pension Plan**

The Organization maintains a 401(k) plan for all its employees. The Organization matches up to 5% of salaries for each employee. The Organization contributed \$8,734 to its pension plan as of June 30, 2018.

**NOTE M - Temporarily Restricted Net Assets**

At June 30, 2018, the Organization had \$141,169 of temporarily restricted net assets, which consisted of the following:

GMF	\$132,698
Fresh Produce Purchases	2,000

**THE GATHERING OF SOUTHEAST WISCONSIN, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

Mooney Scholarship Fund	<u>6,471</u>
Total	<u>\$141,169</u>

**NOTE N - Income Taxes**

The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation. Management has reviewed all tax positions recognized in previously filed tax returns and those expected to be taken in future tax returns. As of June 30, 2018, the Organization had no amounts related to unrecognized income tax benefits and no amounts related to accrued interest and penalties. The Organization does not anticipate any significant changes to unrecognized income tax benefits over the next year.

**NOTE O - Subsequent Event**

The Organization has evaluated events and transactions occurring after June 30, 2018, the date of the most recent balance sheet, through the date financial statements are available to be issued, October 5, 2018, for possible adjustment to the financial statements or disclosure and determined that no subsequent events need to be disclosed.



**THE GATHERING OF SOUTHEAST WISCONSIN, INC.**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2018**  
**(With Summarized Totals for the Year Ended June 30, 2017)**

	Community Meals Programs	Management and Supporting Services	Fundraising	2018 Total	2017 Total
Salaries and Wages	\$ 237,757	\$ 26,096	\$ 26,095	\$ 289,948	\$ 268,949
Payroll Taxes	18,618	3,522	3,019	25,159	25,484
Employee Benefits	11,230	2,124	1,821	15,175	25,230
Retirement Benefits	6,463	1,223	1,048	8,734	7,460
Professional Fees	10,396	1,386	2,079	13,861	18,793
Accounting Fees	---	7,676	---	7,676	7,460
Insurance	7,357	1,298	---	8,655	8,483
Supplies	9,131	---	---	9,131	9,782
Office Expenses	2,587	597	796	3,980	2,777
Postage	1,887	377	1,510	3,774	3,609
Program Expense	113,514	---	---	113,514	101,961
Equipment Rental and Maintenance	529	---	---	529	11,542
Food	285,093	---	---	285,093	267,133
Depreciation	6,734	---	---	6,734	3,474
Travel Expense	9,407	---	---	9,407	7,913
Occupancy	40,389	10,097	---	50,486	50,073
Non-Capital Fixed Asset Purchases	2,214	---	---	2,214	7,311
Interest Expense	810	202	---	1,012	1,332
<b>TOTALS</b>	<b>\$ 764,116</b>	<b>\$ 54,598</b>	<b>\$ 36,368</b>	<b>\$ 855,082</b>	<b>\$ 828,766</b>