

VOLUNTEERS IN MEDICINE CLINIC

FINANCIAL STATEMENTS

For the Years Ended September 30, 2018 and 2017



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FINANCIAL STATEMENTS
For the Years Ended September 30, 2018 and 2017

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Volunteers in Medicine Clinic
Springfield, Oregon

We have audited the accompanying financial statements of Volunteers in Medicine Clinic (a nonprofit organization), which comprise the statements of financial position as of September 30, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 Volunteers in Medicine Clinic as of September 30, 2018 and 2017, 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.

Jones & Roth, P.C.

Jones & Roth, P.C.
Eugene, Oregon
January 17, 2019

FINANCIAL STATEMENTS

VOLUNTEERS IN MEDICINE CLINIC
STATEMENTS OF FINANCIAL POSITION
September 30, 2018 and 2017

	2018	2017
Assets		
Current assets		
Cash and cash equivalents	\$ 327,496	\$ 341,507
Investments, short-term	331,742	480,689
Unconditional promise to give, current portion	100,000	112,500
Unconditional promises to give, facility, current portion	213,433	195,277
Medicine inventory	461,104	333,531
Prepaid expenses	11,262	9,250
Total current assets	1,445,037	1,472,754
Leasehold improvements and equipment, net	12,505	16,256
Other assets		
Endowment investments	802,202	747,981
Investments, long-term	100,013	-
Unconditional promise to give, net of current portion	-	98,649
Unconditional promises to give, facility, net of current portion	85,315	252,212
Total other assets	987,530	1,098,842
Total assets	\$ 2,445,072	\$ 2,587,852
Liabilities and Net Assets		
Current liabilities		
Accrued expenses	\$ 140	\$ -
Accrued vacation	57,379	50,592
Total current liabilities	57,519	50,592
Net assets		
Unrestricted:		
Unrestricted, undesignated	923,258	912,760
Unrestricted, Board-designated	680,000	730,000
Temporarily restricted	403,304	513,509
Permanently restricted	380,991	380,991
Total net assets	2,387,553	2,537,260
Total liabilities and net assets	\$ 2,445,072	\$ 2,587,852

The accompanying notes are an integral part of these statements.

VOLUNTEERS IN MEDICINE CLINIC
STATEMENTS OF ACTIVITIES
For the Years Ended September 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Unrestricted net assets		
Revenue and other support:		
Contribution income	\$ 335,583	\$ 400,364
Special events income, net	222,635	194,578
Patient income	14,970	20,451
Investment income	4,400	2,643
Endowment investment income	54,221	87,342
In-kind donations	1,289,156	1,092,991
In-kind donations, other special events	3,292	4,217
In-kind volunteer services	187,863	238,778
Net assets released from restrictions	<u>557,086</u>	<u>475,895</u>
Total revenue and other support	<u>2,669,206</u>	<u>2,517,259</u>
Expenses:		
Program services:		
Medical clinic	2,286,636	2,235,420
Support services:		
Management and general	248,871	227,630
Fundraising	<u>173,201</u>	<u>255,565</u>
Total expenses	<u>2,708,708</u>	<u>2,718,615</u>
Decrease in unrestricted net assets	<u>(39,502)</u>	<u>(201,356)</u>
Temporarily restricted net assets		
Revenues and other support:		
Contribution income	1,500	11,450
Grant revenue	373,996	264,096
In-kind contribution, facility	71,385	543,639
Net assets released from restrictions	<u>(557,086)</u>	<u>(475,895)</u>
Increase (decrease) in temporarily restricted net assets	<u>(110,205)</u>	<u>343,290</u>
Change in net assets	(149,707)	141,934
Net assets, beginning of year	<u>2,537,260</u>	<u>2,395,326</u>
Net assets, end of year	<u>\$ 2,387,553</u>	<u>\$ 2,537,260</u>

The accompanying notes are an integral part of these statements.

VOLUNTEERS IN MEDICINE CLINIC
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended September 30, 2018 and 2017

	2018			Total
	Program Services	Support Services		
	Medical Clinic	Management and General	Fundraising	
Accrued expenses				
Payroll	\$ 420,371	\$ 143,511	\$ 125,656	\$ 689,538
Payroll taxes	39,372	13,441	11,770	64,583
Employee benefits	55,317	18,884	16,535	90,736
Medicine	21,904	-	-	21,904
Insurance, professional liability	19,387	2,154	-	21,541
Medical record and transcription services	17,440	-	-	17,440
Cleaning and maintenance	19,054	3,560	2,531	25,145
Professional services	83,753	28,948	352	113,053
Utilities	16,645	-	-	16,645
Insurance, general	7,357	818	-	8,175
Volunteer and staff appreciation	5,400	635	318	6,353
Marketing and public relations	3,120	2,409	5,704	11,233
Telephone	9,208	542	1,083	10,833
Office supplies	3,576	447	447	4,470
Travel and education	2,341	360	901	3,602
Medical supplies	10,767	-	-	10,767
Miscellaneous	1,915	8,958	-	10,873
Laboratory services	1,814	-	-	1,814
Rent	1,541	81	-	1,622
Alarm system	451	-	-	451
Total accrued expenses	<u>740,733</u>	<u>224,748</u>	<u>165,297</u>	<u>1,130,778</u>
In-kind expenses				
In-kind medicine	1,057,003	-	-	1,057,003
In-kind volunteer services	187,863	-	-	187,863
In-kind clinical, lab services, and other	102,542	1,580	209	104,331
In-kind lease expense	193,711	22,012	4,403	220,126
In-kind expenses, other special events	-	-	3,292	3,292
Depreciation	4,784	531	-	5,315
Total in-kind expenses	<u>1,545,903</u>	<u>24,123</u>	<u>7,904</u>	<u>1,577,930</u>
Total expenses	<u>\$ 2,286,636</u>	<u>\$ 248,871</u>	<u>\$ 173,201</u>	<u>\$ 2,708,708</u>
Percentage of total expenses	84.4%	9.2%	6.4%	

2017

Program Services	Support Services		
Medical Clinic	Management and General	Fundraising	Total
\$ 371,795	\$ 127,672	\$ 189,911	\$ 689,378
34,950	12,001	17,852	64,803
48,024	16,491	24,531	89,046
20,065	-	-	20,065
14,984	1,665	-	16,649
16,376	-	-	16,376
18,274	3,832	2,591	24,697
60,000	26,753	40	86,793
16,655	-	-	16,655
7,347	816	-	8,163
6,441	758	379	7,578
6,607	3,862	8,336	18,805
9,219	542	1,085	10,846
2,979	372	373	3,724
2,375	365	914	3,654
4,544	-	-	4,544
1,137	6,000	-	7,137
1,176	-	-	1,176
1,542	81	-	1,623
471	-	-	471
<u>644,961</u>	<u>201,210</u>	<u>246,012</u>	<u>1,092,183</u>
888,944	-	-	888,944
238,778	-	-	238,778
253,651	2,676	738	257,065
202,341	22,994	4,598	229,933
-	-	4,217	4,217
6,745	750	-	7,495
<u>1,590,459</u>	<u>26,420</u>	<u>9,553</u>	<u>1,626,432</u>
<u>\$ 2,235,420</u>	<u>\$ 227,630</u>	<u>\$ 255,565</u>	<u>\$ 2,718,615</u>
82.2%	8.4%	9.4%	

The accompanying notes are an integral part of these statements.

VOLUNTEERS IN MEDICINE CLINIC
STATEMENTS OF CASH FLOWS
For the Years Ended September 30, 2018 and 2017

	2018	2017
Cash flows from operating activities		
Change in net assets	\$ (149,707)	\$ 141,934
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Non-cash contribution of facility	(71,385)	(543,639)
Depreciation	5,315	7,495
Endowment investment income	(54,221)	(87,342)
Amortization of donated facility	220,126	229,933
Non-cash donations of medicine inventory	(127,822)	53,019
(Increase) decrease in:		
Medicine inventory	249	2,921
Prepaid expenses	(2,012)	(120)
Unconditional promises to give	111,149	84,815
Increase (decrease) in:		
Accrued expenses	140	-
Accrued vacation	6,787	3,097
	<u>(61,381)</u>	<u>(107,887)</u>
Net cash used by operating activities		
Cash flows from investing activities		
Purchase of property, plant, and equipment	(1,564)	(1,050)
Purchase of investments	(169,192)	(112,396)
Proceeds from sale of investments	218,126	-
	<u>47,370</u>	<u>(113,446)</u>
Net cash provided (used) by investing activities		
Decrease in cash and cash equivalents	(14,011)	(221,333)
Cash and cash equivalents, beginning of year	<u>341,507</u>	<u>562,840</u>
Cash and cash equivalents, end of year	<u>\$ 327,496</u>	<u>\$ 341,507</u>

The accompanying notes are an integral part of these statements.

VOLUNTEERS IN MEDICINE CLINIC
NOTES TO FINANCIAL STATEMENTS

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Volunteers in Medicine Clinic (the Organization) is a nonprofit organization that operates in Lane County, Oregon, providing for the health and wellness needs of the medically underserved and their households.

Basis of Accounting

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

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, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments

Investments are composed of certificates of deposit and are carried at fair value. Endowment investments are composed of mutual funds and are carried at fair value.

Promises to Give

Unconditional promises to give are recognized when the donor makes a promise to give that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Promises to give that are to be received in future periods are discounted at an appropriate rate. Management has determined that outstanding promises to give are fully collectible. Therefore, no allowance for uncollectible promises to give is considered necessary at September 30, 2018 and 2017.

Medicine Inventory

Inventory consists of purchased, free, and donated medicines. Purchased medicines are stated at the lower of cost at acquisition (first in, first out method) or market. Free and donated medicines are stated at the lower of fair market value at the date of the donation (first in, first out method) or market. Beginning October 1, 2015, the Organization elected to capitalize in inventory free and donated medicines on hand. Previously, such medicines were expensed at the date of donation.

VOLUNTEERS IN MEDICINE CLINIC
NOTES TO FINANCIAL STATEMENTS

1. Nature of Operations and Summary of Significant Accounting Policies, continued

Leasehold Improvements, Equipment, and Depreciation

Leasehold improvements and equipment are recorded at cost at the date of acquisition or fair value at the date of donation in the case of gifts. Minor additions and renewals are expensed in the year incurred. Major additions and renewals are capitalized and depreciated on the double declining balance and straight-line method over their estimated useful lives.

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Contributions of donated non-cash assets and services are recorded at their fair value in the period received.

Income Tax Status

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC) and, therefore, no provision for federal or state income taxes has been included in these financial statements.

Concentration of Credit Risk

The Organization maintains its cash in various financial institutions. The balances, at times, may exceed the federally insured limit of \$250,000. At September 30, 2018 and 2017, deposits exceeded the federally insured limit by \$214,392 and \$183,663, respectively. The Organization has not experienced any losses in such accounts and believes it is not exposed to significant credit risk on cash and cash equivalents.

Net Assets

Net assets of the Organization consist of the following:

Unrestricted - These net assets are available for general obligations of the Organization.

Temporarily restricted - These net assets are restricted by donors and grantors to be used for specific purposes.

Permanently restricted - These net assets are permanently restricted by donors and cannot be used by the Organization.

VOLUNTEERS IN MEDICINE CLINIC
NOTES TO FINANCIAL STATEMENTS

1. Nature of Operations and Summary of Significant Accounting Policies, continued

Endowment Fund Policy

The Board of Directors has established guidelines for the utilization of the Endowment Fund maintained to benefit the general purposes of the Organization. The policy sets forth that the Organization shall accept current and deferred gifts to the Endowment Fund. The Organization's policy is to maintain the principal of the fund in perpetuity. The current policy states any interest earned in the Endowment Fund is to be reinvested in the Endowment Fund.

The Organization's endowment investment strategy is to emphasize long-term growth as measured by total return, while avoiding excessive risk. The primary investment objective is to achieve a balanced return of income consistent with principal growth and to achieve a rate of return, net of fees, to exceed a return of relevant indices or other benchmarks as determined by the Organization's Investment Committee.

Endowment Fund investments are limited to mutual funds.

2. Investments

At September 30, investments consisted of certificates of deposit with original maturities greater than 90 days in the following categories:

	<u>2018</u>	<u>2017</u>
Certificates of deposit, short-term	\$ 331,742	\$ 480,689
Certificates of deposit, long-term	<u>100,013</u>	<u>-</u>
Total investments	<u>\$ 431,755</u>	<u>\$ 480,689</u>

3. Endowment Investments

At September 30, the Endowment Fund consisted of the following:

	<u>2018</u>	<u>2017</u>
Earnings	\$ 421,211	\$ 366,990
Permanently restricted	<u>380,991</u>	<u>380,991</u>
Total Endowment investments	<u>\$ 802,202</u>	<u>\$ 747,981</u>

The following table summarizes Endowment Fund activity:

	<u>2018</u>	<u>2017</u>
Balance, October 1	\$ 747,981	\$ 660,639
Investment returns, net	<u>54,221</u>	<u>87,342</u>
Balance, September 30	<u>\$ 802,202</u>	<u>\$ 747,981</u>

VOLUNTEERS IN MEDICINE CLINIC NOTES TO FINANCIAL STATEMENTS

4. Fair Value Measurement

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to their fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used at September 30, 2018 and 2017.

Mutual funds: Quoted market prices are used to value each fund based on the net asset value (NAV) of shares held by the Organization at year end. All mutual funds held are open ended mutual funds that are registered with the SEC and are deemed to be actively traded.

Certificates of deposit: Valued at the quoted market value of certificates held by the Organization at year end.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value. Furthermore, while the Organization believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

VOLUNTEERS IN MEDICINE CLINIC
NOTES TO FINANCIAL STATEMENTS

4. Fair Value Measurement, continued

The following tables set forth by level, within the fair value hierarchy, the Organization's assets at fair value as of September 30, 2018 and 2017:

	Assets at Fair Value as of September 30, 2018			
	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ 431,755	\$ -	\$ -	\$ 431,755
Mutual funds	802,202	-	-	802,202
Total assets at fair value	\$ 1,233,957	\$ -	\$ -	\$ 1,233,957

	Assets at Fair Value as of September 30, 2017			
	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ 480,689	\$ -	\$ -	\$ 480,689
Mutual funds	747,981	-	-	747,981
Total assets at fair value	\$ 1,228,670	\$ -	\$ -	\$ 1,228,670

5. Unconditional Promises to Give, Facility

The Organization leases a 9,126 square foot building (new clinic) under a five-year operating lease where the annual lease payment is \$12. The original lease commenced on April 1, 2010, and had an expiration date of March 31, 2015. This lease was extended in February 2013 for a two-year period and further extended in March 2017 for an additional three-year period. The lease is currently set to expire March 31, 2020.

The Organization leased a 1,100 square foot building (storage) under a one-year operating lease where the annual lease payment was \$1. The original lease commenced on September 1, 2014, and ended on August 31, 2015. The lease was extended for two years starting on September 1, 2015, and was further extended for the one-year period starting September 1, 2016. The lease was not renewed as the Organization moved storage to a new location beginning October 2017.

The Organization moved into a leased 485 square foot building (storage) under a one-year operating lease where the annual lease payment is \$1. The lease commenced on October 1, 2017 and expired on September 30, 2018. The lease was extended for a one-year period starting on October 1, 2018.

The Organization also leases a 1,513 square foot space (administrative office) under a two-year operating lease where the annual lease payment is \$12. The original lease commenced on November 1, 2011, and ended on November 30, 2013. The lease was extended for an additional two years through November 30, 2015. In November 2015, the lease was further extended for another two years through November 30, 2017. In October 2017, the lease was again extended for an additional two years from December 1, 2017 to November 30, 2019.

VOLUNTEERS IN MEDICINE CLINIC
NOTES TO FINANCIAL STATEMENTS

5. Unconditional Promises to Give, Facility, continued

At September 30, the present value of the estimated future fair value of these lease payments, using a discount rate of 6 percent, was treated as an unconditional promise to give and consisted of the following:

	<u>2018</u>	<u>2017</u>
Temporarily restricted promises to give, facility	\$ 312,887	\$ 482,746
Unamortized discount	<u>(14,139)</u>	<u>(35,257)</u>
Net unconditional promises to give, facility	<u>\$ 298,748</u>	<u>\$ 447,489</u>
Amounts due in:		
Less than one year	\$ 213,433	\$ 195,277
One to five years	<u>85,315</u>	<u>252,212</u>
	<u>\$ 298,748</u>	<u>\$ 447,489</u>

6. Unconditional Promise to Give

At September 30, unconditional promise to give consisted of the following:

	<u>2018</u>	<u>2017</u>
Pledges	\$ 100,000	\$ 212,500
Discount to present value	<u>-</u>	<u>(1,351)</u>
Net unconditional promise to give	<u>\$ 100,000</u>	<u>\$ 211,149</u>
Amounts due in:		
Less than one year	\$ 100,000	\$ 112,500
One to five years	<u>-</u>	<u>100,000</u>
	100,000	212,500
Less discount to present value	<u>-</u>	<u>(1,351)</u>
	<u>\$ 100,000</u>	<u>\$ 211,149</u>

The promise to give was discounted at a rate of 1.37 percent for the year ended September 30, 2017.

7. Leasehold Improvements and Equipment

At September 30, leasehold improvements and equipment consisted of the following:

	<u>2018</u>	<u>2017</u>
Medical equipment	\$ 77,522	\$ 75,958
Office equipment	94,780	94,780
Office furniture	19,046	19,046
Leasehold improvements	<u>283,248</u>	<u>283,248</u>
	474,596	473,032
Accumulated depreciation	<u>(462,091)</u>	<u>(456,776)</u>
Leasehold improvements and equipment, net	<u>\$ 12,505</u>	<u>\$ 16,256</u>

VOLUNTEERS IN MEDICINE CLINIC
NOTES TO FINANCIAL STATEMENTS

8. Temporarily Restricted Net Assets

At September 30, temporarily restricted net assets were available for the following purposes:

	<u>2018</u>	<u>2017</u>
In-kind facility lease donation	\$ 298,748	\$ 447,489
Donor designated contributions	-	10,229
Grant revenue	<u>104,556</u>	<u>55,791</u>
Total temporarily restricted net assets	<u>\$ 403,304</u>	<u>\$ 513,509</u>

9. Board-designated Net Assets

At September 30, Board-designated net assets were available for the following purposes:

	<u>2018</u>	<u>2017</u>
Operating reserves	<u>\$ 680,000</u>	<u>\$ 730,000</u>

10. Retirement Plan

The Organization established a Savings Incentive Match Plan for Employees (SIMPLE) effective January 1, 2015. Under the SIMPLE plan, eligible employees may make elective contributions up to the maximum amount allowable by law. The Organization will make a non-elective contribution equal to 2 percent of the eligible employees' compensation each calendar year. Contributions to the plan totaled \$13,267 and \$12,801 for the years ended September 30, 2018 and 2017, respectively.

11. Related Party Transactions

The Board of Directors made contributions to the Organization of \$19,969 and \$21,645 during the years ended September 30, 2018 and 2017, respectively.

12. In-kind Volunteer Services

For the years ended September 30, in-kind volunteer services consisted of the following:

	<u>2018</u>	<u>2017</u>
In-kind volunteer services	<u>\$ 187,863</u>	<u>\$ 238,778</u>

Other non-eligible volunteer services for administrative functions totaled \$170,788 and \$144,660 for the years ended September 30, 2018 and 2017, respectively. These non-eligible amounts are not included in the financial statements.

VOLUNTEERS IN MEDICINE CLINIC
NOTES TO FINANCIAL STATEMENTS

13. Special Events

At September 30, special events consisted of the following:

	<u>2018</u>	<u>2017</u>
Special events income	\$ 300,005	\$ 257,882
Less: Direct donor benefits	<u>(77,370)</u>	<u>(63,304)</u>
Special events income, net	<u>\$ 222,635</u>	<u>\$ 194,578</u>

The Organization received \$95,406 and \$66,549 of donated auction items for the years ended September 30, 2018 and 2017, respectively. In addition, the Organization received \$8,869 and \$2,771 of in-kind special event services, and \$3,292 and \$4,217 of miscellaneous in-kind special event donations for the years ended September 30, 2018 and 2017, respectively.

14. Subsequent Events

Management evaluates events and transactions that occur after the statement of financial position date as potential subsequent events. Management has performed this evaluation through the date of the independent auditor's report.

In October 2018, the Organization renewed their one-year operating lease for storage space where the annual lease payment is \$1. The lease is set to expire September 30, 2019.