

ST. DAVID'S CENTER
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017 AND
SEVEN MONTHS ENDED DECEMBER 31, 2016

**ST. DAVID'S CENTER
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SEVEN MONTHS ENDED DECEMBER 31, 2016**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
St. David's Center
Minnetonka, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of St. David's Center, which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities, functional expense, and cash flows for the year and seven months 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.

Auditors' 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 auditors' 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.

Board of Directors
St. David's Center

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. David's Center as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the year and seven months then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expense by program, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
April 18, 2018

**ST. DAVID'S CENTER
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017 AND 2016**

	2017	2016
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,360,220	\$ 647,993
Accounts Receivable, Net	3,306,843	2,989,584
Pledges Receivable	303,586	972,430
Prepaid Expenses	358,372	192,759
Total Current Assets	5,329,021	4,802,766
NONCURRENT ASSETS		
Pledges Receivable, Net	78,518	214,025
Investments	1,423,246	1,240,171
Cash Surrender Value of Life Insurance Policy	1,067,497	1,052,857
Property and Equipment, Net	14,020,431	13,153,825
Total Noncurrent Assets	16,589,692	15,660,878
 Total Assets	 \$ 21,918,713	 \$ 20,463,644
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 1,346,146	\$ 335,603
Capital Lease Payable	29,614	29,263
Accrued Salaries and Vacation	1,401,305	1,305,688
Deferred Revenue	7,000	7,120
Debt, Including Line of Credit, Net of Long-Term Portion	143,810	143,810
Other Liabilities	9,477	12,039
Total Current Liabilities	2,937,352	1,833,523
NONCURRENT LIABILITIES		
Long-Term Debt, Net of Current Portion	976,282	1,967,524
Deferred Compensation	174,289	96,407
Capital Lease Payable	33,625	62,411
Total Noncurrent Liabilities	1,184,196	2,126,342
 Total Liabilities	 4,121,548	 3,959,865
NET ASSETS		
Unrestricted	8,809,380	7,975,263
Temporarily Restricted	7,356,068	6,896,799
Permanently Restricted	1,631,717	1,631,717
Total Net Assets	17,797,165	16,503,779
 Total Liabilities and Net Assets	 \$ 21,918,713	 \$ 20,463,644

See accompanying Notes to Financial Statements.

**ST. DAVID'S CENTER
STATEMENTS OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2017 AND
SEVEN MONTHS ENDED DECEMBER 31, 2016**

	Year Ended December 31, 2017				Seven Months Ended December 31, 2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE								
Governmental Contracts	\$ 13,409,897	\$ -	\$ -	\$ 13,409,897	\$ 8,232,020	\$ -	\$ -	\$ 8,232,020
Tuition/Private Fees	2,519,153	-	-	2,519,153	1,337,690	-	-	1,337,690
Insurance Income	5,088,238	-	-	5,088,238	2,854,309	-	-	2,854,309
Contributions	1,033,668	1,388,256	-	2,421,924	597,405	142,844	-	740,249
Residential Services Rent	-	-	-	-	26,730	-	-	26,730
Special Events (Less Expenses of \$166,074 and \$60,331, Respectively)	321,746	-	-	321,746	32,822	-	-	32,822
United Way	15,459	-	-	15,459	5,200	50,000	-	55,200
Investment Income	19,540	141,944	-	161,484	7,349	39,534	-	46,883
Other Income	8,622	-	-	8,622	13,195	-	-	13,195
Net Assets Released from Restrictions	1,070,931	(1,070,931)	-	-	633,158	(633,158)	-	-
Total Support and Revenue	<u>23,487,254</u>	<u>459,269</u>	<u>-</u>	<u>23,946,523</u>	<u>13,739,878</u>	<u>(400,780)</u>	<u>-</u>	<u>13,339,098</u>
EXPENSE								
Program Services	18,576,810	-	-	18,576,810	10,937,369	-	-	10,937,369
Support Services:								
Management and General	3,651,183	-	-	3,651,183	2,001,887	-	-	2,001,887
Fundraising	425,144	-	-	425,144	176,670	-	-	176,670
Total Supporting Services	<u>4,076,327</u>	<u>-</u>	<u>-</u>	<u>4,076,327</u>	<u>2,178,557</u>	<u>-</u>	<u>-</u>	<u>2,178,557</u>
Total Expense	<u>22,653,137</u>	<u>-</u>	<u>-</u>	<u>22,653,137</u>	<u>13,115,926</u>	<u>-</u>	<u>-</u>	<u>13,115,926</u>
CHANGE IN NET ASSETS	834,117	459,269	-	1,293,386	623,952	(400,780)	-	223,172
Net Assets - Beginning of Year	<u>7,975,263</u>	<u>6,896,799</u>	<u>1,631,717</u>	<u>16,503,779</u>	<u>7,351,311</u>	<u>7,297,579</u>	<u>1,631,717</u>	<u>16,280,607</u>
NET ASSETS - END OF YEAR	<u>\$ 8,809,380</u>	<u>\$ 7,356,068</u>	<u>\$ 1,631,717</u>	<u>\$ 17,797,165</u>	<u>\$ 7,975,263</u>	<u>\$ 6,896,799</u>	<u>\$ 1,631,717</u>	<u>\$ 16,503,779</u>

See accompanying Notes to Financial Statements.

ST. DAVID'S CENTER
STATEMENT OF FUNCTIONAL EXPENSE
YEAR ENDED DECEMBER 31, 2017

	Year Ended December 31, 2017				Total All Services
	Program Services	Management and General	Fundraising	Total Support Services	
Salaries	\$ 14,240,029	\$ 1,550,808	\$ 292,756	\$ 1,843,564	\$ 16,083,593
Employee Benefits	1,240,911	119,389	21,872	141,261	1,382,172
Payroll Taxes	1,070,046	184,686	36,707	221,393	1,291,439
Total Personnel Costs	<u>16,550,986</u>	<u>1,854,883</u>	<u>351,335</u>	<u>2,206,218</u>	<u>18,757,204</u>
Professional, Training, Activity, and Other Fees	272,668	418,732	29,583	448,315	720,983
Occupancy	265,283	340,093	-	340,093	605,376
Communications	142,669	220,014	5,372	225,386	368,055
Depreciation	245,973	467,922	2,849	470,771	716,744
Supplies	161,292	43,653	2,264	45,917	207,209
Other Operating Expenses	72,917	138,771	11,451	150,222	223,139
Transportation	192,948	4,451	739	5,190	198,138
Insurance	3,515	95,931	-	95,931	99,446
Scholarship	21,690	-	-	-	21,690
Bad Debt	436,519	-	125	125	436,644
MinnesotaCare Tax	127,791	-	-	-	127,791
Marketing/Advertising	670	66,733	21,426	88,159	88,829
Interest Expense	81,889	-	-	-	81,889
Total Expense	<u>\$ 18,576,810</u>	<u>\$ 3,651,183</u>	<u>\$ 425,144</u>	<u>\$ 4,076,327</u>	<u>\$ 22,653,137</u>

See accompanying Notes to Financial Statements.

**ST. DAVID'S CENTER
STATEMENT OF FUNCTIONAL EXPENSE
SEVEN MONTHS ENDED DECEMBER 31, 2016**

	Seven Months Ended December 31, 2016				Total All Services
	Program Services	Management and General	Fundraising	Total Support Services	
Salaries	\$ 8,212,966	\$ 828,066	\$ 119,675	\$ 947,741	\$ 9,160,707
Employee Benefits	730,004	19,709	9,102	28,811	758,815
Payroll Taxes	688,650	105,065	23,720	128,785	817,435
Total Personnel Costs	<u>9,631,620</u>	<u>952,840</u>	<u>152,497</u>	<u>1,105,337</u>	<u>10,736,957</u>
Professional, Training, Activity, and Other Fees	198,760	281,213	3,323	284,536	483,296
Occupancy	155,939	195,571	-	195,571	351,510
Communications	90,877	135,871	2,773	138,644	229,521
Depreciation	138,534	196,229	1,582	197,811	336,345
Supplies	92,364	31,329	297	31,626	123,990
Other Operating Expenses	94,638	84,853	4,850	89,703	184,341
Transportation	110,890	507	57	564	111,454
Insurance	4,569	58,333	-	58,333	62,902
Scholarship	12,110	-	-	-	12,110
Bad Debt	267,699	20,000	5,961	25,961	293,660
MinnesotaCare Tax	62,336	-	-	-	62,336
Marketing/Advertising	37	41,958	5,330	47,288	47,325
Interest Expense	76,996	3,183	-	3,183	80,179
Total Expense	<u>\$ 10,937,369</u>	<u>\$ 2,001,887</u>	<u>\$ 176,670</u>	<u>\$ 2,178,557</u>	<u>\$ 13,115,926</u>

See accompanying Notes to Financial Statements.

**ST. DAVID'S CENTER
STATEMENTS OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2017 AND
SEVEN MONTHS ENDED DECEMBER 31, 2016**

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 1,293,386	\$ 223,172
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	716,744	336,345
Unrealized and Realized Gain on Investments	(151,181)	(44,811)
(Increase) Decrease in Current Assets:		
Accounts Receivable	(317,259)	49,182
Pledges Receivable	804,351	794,655
Prepaid Expenses	(165,613)	194,979
Increase (Decrease) in Liabilities:		
Accounts Payable	146,170	(218,079)
Accrued Salaries and Vacation	95,617	150,142
Deferred Revenue	(120)	(186,832)
Other Liabilities	(2,562)	5,405
Deferred Compensation	<u>77,882</u>	<u>12,961</u>
Net Cash Provided by Operating Activities	<u>2,497,415</u>	<u>1,317,119</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(718,977)	(512,541)
Purchase of Investments	(734,147)	(3,561)
Proceeds from Sale of Investments	<u>687,613</u>	<u>66,052</u>
Net Cash Used by Investing Activities	<u>(765,511)</u>	<u>(450,050)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Capital Lease Payable	(28,435)	(20,689)
Principal Payments on Long-Term Debt and Line of Credit	(1,191,242)	(1,910,666)
Proceeds from Issuance of Long-Term Debt and Line of Credit	<u>200,000</u>	<u>300,000</u>
Net Cash Used by Financing Activities	<u>(1,019,677)</u>	<u>(1,631,355)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	712,227	(764,286)
Cash and Cash Equivalents - Beginning of Year	<u>647,993</u>	<u>1,412,279</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,360,220</u>	<u>\$ 647,993</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest Paid During the Year	<u>\$ 78,392</u>	<u>\$ 75,933</u>

See accompanying Notes to Financial Statements.

**ST. DAVID'S CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organizational Purpose

St. David's Center (St. David's) provides educational, therapeutic, and social services for children and their families. St. David's programs are as follows:

Mental Health Skills Training – Provides support for children ages 4-18 with mental health diagnoses. The purpose of the services is to improve or maintain emotional or behavioral functioning to reduce the risk of out-of-home placement.

School Linked Mental Health – This program partners with school districts to co-locate children's mental health services to improve school readiness of individual children, improve classroom dynamics, provide a supportive learning environment, and repair system issues that may be barriers to their effectiveness. This program is funded in part by a five-year grant from the Minnesota Department of Human Services with the remainder covered by fee for service billing of Medical Assistance and commercial insurance plans.

After School and Summer Adventure Programs (Therapeutic Recreation) – Offers community-based programming focused on recreation, community activities, and socialization for youth ages 6-18 with developmental disabilities.

Multi-Dimensional Treatment Foster Care – This program is an evidence-based alternative treatment model that provides a similar level of intensity as a residential treatment program, but in the home of a licensed foster provider. The program supports and treats children ages 6 to 11 with significant mental health and behavioral challenges through an individualized treatment plan.

Personal Care Attendant (PCA) Services – Provides assistance and care to children and young adults with developmental disabilities, chronic health problems, or mental health diagnoses.

Waivered Services – Programming is offered to children and adults with developmental disabilities who have a DD, CADI, CAC, or TBI waiver. It focuses on development of life skills in the home and community of every client. Services may include in-home support, hourly respite, overnight respite, person-centered goals, and flexible case management.

Therapeutic Foster Care (TFC) – TFC is a county referred program in which children, ages 0-18, are removed from their home by county child protection and referred to St. David's for placement in a licensed therapeutic foster home. Children in foster placement are cared for by the foster provider 24/7 for a typical length of three months to a year.

Children's Mental Health Case Management – Provides in-home support and advocacy for families who have a child with a mental health diagnosis. The case manager and family develop a care plan that includes various types of therapy, special education services, mental health and behavior guidance, and other resources.

**ST. DAVID'S CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Organizational Purpose (Continued)

Northwest Early Childhood Home Visiting – Home visitors provide relationship-based support services for vulnerable young parents of children ages 0-5. We partner with parents to enrich family relationships and improve school readiness through advocacy and case management, referrals to resources, and providing developmental and parenting information.

Supported Living Services – St. David's partners with families to create person-centered home life experiences for adults with special needs. The program provides individualized, goal-directed support for semi-independent individuals living on their own.

Group Homes – Provides innovative housing solutions for young adults with disabilities and their families. These homes provide safe, nurturing environments where the clients are participants in the decisions affecting them, their home, and their community. Through communal living, St. David's is committed to fostering personal growth and developing relationships while encouraging families to continue to be involved with their children.

Family Place – Provides an early childhood program for families facing multiple challenges in successfully parenting their children. The goal is to offer support, share child development information, and encourage alternative approaches to parenting, while also promoting the social and emotional development of young children.

Infant Team Pilot Program – This program seeks to address the needs of children (ages 0 – 5) involved with Hennepin County juvenile court and child protection services. St. David's Center will work with other project stakeholders, and will provide various therapeutic interventions to clients to improve parent-child attachment and support children's social, emotional, and behavioral development. Referrals to the program will be made by a juvenile court judge and the parent will be asked to voluntarily participate.

Healthy Families – Infant-Parent Development (IPD) – This program is designed for parents expecting their first child or with a first child under the age of three months who are impacted by multiple "risk-factors" including: low income, histories of domestic violence, sexual or physical abuse, mental health concerns, chemical abuse, developmental disabilities, or other stressors. The program uses long-term visits and offers families a continuum of services including: emotional support, developmental guidance, advocacy, parent-child observation, and therapy. IPD is a program of the Metro Alliance for Family Success and is free of charge to families for up to four years.

Healthy Families – Infant-Parent Development Clinical Supervision – This represents the professional clinical supervision provided to the Healthy Families–Infant-Parent Development program described above.

**ST. DAVID'S CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Organizational Purpose (Continued)

Advancing The Field – This program supports professional development focusing on early childhood development.

Early Childhood Education and In-Center Respite – A developmentally appropriate early childhood education and childcare program serving children ages 16 months to five years paired with in-center respite care services provided to families with children under age six that have special needs. The program provides children the unique opportunity to learn side-by-side with children of varying abilities.

Pediatric Therapy – Provides speech, occupational, physical, and music therapy services to assist children of varying abilities. The therapist designs interventions using a team approach to meet each child's individual developmental needs. Through partnerships with families and other providers, specific treatment approaches are incorporated into functional environments.

Outpatient Mental Health Services – Offers individual, family, and group therapy by trained, licensed psychologists both on-site and in client's homes. Staff offers expertise in serving children and families with special needs, including developmental delays/disabilities, physical challenges, medical complications, attention deficit disorders, and emotional/behavioral disturbances.

Autism Day Treatment (ADT) – The ADT program is a classroom environment specifically designed for young children ages 18 months to five years who have a medical diagnosis of Autism Spectrum Disorder (ASD). A multidisciplinary team develops individualized treatment plans and interventions for each child. The team is committed to working across disciplines and with families and school district services so that skills are generalized across settings.

Autism Spectrum Disorder Support Services – Through an individualized treatment plan, the program provides care management for children on the autism spectrum and their families. A service plan can include care management, therapeutic behavior support, therapeutic interventions, and consultations with parents. The program is offered only to those who have Medical insurance.

Multi-Disciplinary Assessment Team – This program provides comprehensive early childhood evaluation through psychological and neurocognitive testing, speech-language pathology assessment, and occupational therapy evaluation. Following each assessment, the Team will share findings with the child's family, make recommendations for services, and collaborate with the child's caregivers, teachers, and other providers when appropriate.

Community Autism Day Treatment – This program provides all the services outlined previously for Autism Day Treatment, but at a community partner site rather than at the St. David's campus.

**ST. DAVID'S CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation

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

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

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

Permanently Restricted Net Assets – Net assets resulting from contributions with donor-imposed stipulations that neither expire with time nor may be fulfilled by actions of St. David's.

Cash and Cash Equivalents

For purposes of the statement of cash flows, St. David's considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Accounts Receivable

St. David's provides an allowance for uncollectible accounts on program receivables based on management's judgment. Program participants and their guardians are not required to provide collateral for services rendered. Payments for services are due upon the patient receiving the bill. At December 31, 2017 and 2016, the allowance for uncollectible accounts, which includes the contractual allowance, was \$919,137 and \$615,193, respectively.

Pledges Receivable

Pledges that are expected to be collected within one year are recorded at their net realizable value. Pledges that are expected to be collected in future years are recorded at the present value of the amount expected to be collected. The discounts on those amounts are computed using an imputed interest rate applicable to the year in which the pledge is received. Conditional pledges are not included as support until such time as the conditions are substantially met. An allowance for bad debt is provided on the reserve method based on historical experience and management's evaluation of outstanding receivable balances at the end of the year. No allowance for bad debts was recorded as of December 31, 2017 and 2016.

**ST. DAVID'S CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

St. David's carries its investments at market value. At times the portfolio contains cash equivalents. Privately held stock is recorded at fair value when contributed and is not subsequently measured at fair value. The original value received is retained as cost in future years.

Life Insurance Policy

During the year ended May 31, 2011, St. David's received a contribution from a donor of \$1,000,000 to fund a life insurance policy and fund an endowment. The policy is recorded at cash surrender value with the change in value being recorded as income.

Property and Equipment

All major expenditures for land, buildings, building improvements, and equipment are capitalized at cost. St. David's capitalizes property and equipment purchases when the cost per item is in excess of \$1,000 and like items may be capitalized if the total purchase is at least \$2,500 and the average price per item is at least \$250. Contributed items are recorded at fair market value at date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulation, contributions of property and equipment are recorded as unrestricted. Depreciation is provided through the use of the straight-line method as follows:

Buildings and Improvements (using the shorter of asset life or lease term for leasehold improvements)	5 to 39 Years
Furniture and Equipment	3 to 10 Years
Vehicles	3 to 5 Years

Deferred Compensation

St. David's provides a deferred compensation plan to executives approved by the board of directors. The liability on the statement of financial position reflects what is owed to participants in accordance with the terms of the plan.

Contributions

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

**ST. DAVID'S CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government Grants and Contracts

Government grants and contract funds are recorded as revenue when earned. Revenue is earned when eligible expenditures, as defined in each grant or contract, are made. Funds received but not yet earned are shown as refundable advances. Expenditures under government contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, St. David's will record such disallowance at the time the final assessment is made.

Program Service Revenue

St. David's has agreements with third-party payors that provide for payments to St. David's at amounts different from its established rates. Payment arrangements include prospectively determined rates, reimbursed costs, discounted charges, and per diem payments. Net program service revenue is reported at the estimated net realizable amounts from program participants, third-party payors, and others for services rendered.

Advertising and Marketing

Advertising and marketing costs are expensed when incurred.

Charity Care

St. David's provides charity care to patients meeting certain established criteria which is provided without charge or at amounts less than established rates. St. David's does not pursue collection of amounts determined to qualify as charity care.

Functional Allocation of Expense

Expenses are recorded in functional categories when incurred. In certain cases, allocations between categories must be made. When allocations are required, they are based on the best estimates of management.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions can affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Income Tax

St. David's has a tax-exempt status under Section 501(c)(3) of the Internal Revenue Code (IRC) and Minnesota Statute 290.05. It has been classified as an organization that is not a private foundation under the IRC and charitable contributions by donors are tax deductible.

**ST. DAVID'S CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax (Continued)

St. David's follows the provisions of Accounting for Uncertainty in Income Taxes. This standard clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribes a recognition threshold for the financial statement recognition of tax positions taken or expected to be taken on a tax return that are not certain to be realized. St. David's is not aware of any activities that would jeopardize its tax-exempt status.

Concentrations

St. David's provides services within the Twin Cities area. The amounts due for services provided are from individuals, or their third-party payors, substantially all of which are local residents. In addition, accounts receivable are from local residents, governments, or institutions. As of December 31, 2017 and 2016, approximately 3% and 2%, respectively, of total pledges receivable are from board members or employees. As of December 31, 2017 and 2016, approximately 14% and 4% of contributions are from board members or employees, respectively. As of December 31, 2017, approximately 59% of contributions were from three donors.

At December 31, 2017, St. David's held funds at a local financial institution in excess of federally insured limits.

Fair Value Measurements

St. David's accounts for certain financial assets under various accounting literature. St. David's also accounts for certain assets at fair value under applicable industry guidance.

St. David's has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets recorded on the statement of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that St. David's has the ability to access.

Level 2 – Financial assets whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:

- quoted prices for similar assets in active markets;
- quoted prices for identical or similar assets in nonactive markets;

**ST. DAVID'S CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

- pricing models whose inputs are observable for substantially the full term of the asset; and
- pricing models whose inputs are derived principally from or corroborated by observable market data through correlation or other means for substantially the full term of the asset.

Level 3 – Financial assets whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset.

Reclassifications

Certain reclassifications have been made to the prior year financial statements to agree with the current year presentation. The reclassification had no effect on the change in net assets or total net assets as previously reported.

Subsequent Events

St. David's has evaluated the effect that subsequent events would have on the financial statements through April 18, 2018, which is the date the financial statements were available to be issued.

NOTE 2 PLEDGES RECEIVABLE

Unconditional promises are recognized at the estimated present value of the future cash flows, net of allowances, in the following time frame as of December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
In One Year or Less	\$ 303,586	\$ 972,430
Between One and Five Years	98,868	234,375
Subtotal	402,454	1,206,805
Less: Present Value Discount of 4.5%	20,350	20,350
Pledges Receivable, Net	<u>\$ 382,104</u>	<u>\$ 1,186,455</u>
Amounts are Reflected in the Financial Statements as Follows:		
Pledges Receivable	\$ 303,586	\$ 972,430
Pledges Receivable, Net	78,518	214,025
Total	<u>\$ 382,104</u>	<u>\$ 1,186,455</u>

**ST. DAVID'S CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 3 INVESTMENTS

St. David's held the following investments as of December 31, 2017 and 2016:

	2017	
	Cost	Fair Value
Cash and Cash Equivalents	\$ 16,803	\$ 16,803
Privately Held Stock	567,000	567,000
Domestic Equities	162,312	203,690
Mutual Funds - Bond	301,383	300,661
Mutual Funds - Stock	312,660	335,092
Total Investments	\$ 1,360,158	\$ 1,423,246

	2016	
	Cost	Fair Value
Cash and Cash Equivalents	\$ 17,745	\$ 17,745
Privately Held Stock	567,000	567,000
Corporate Bonds	90,246	90,384
Domestic Equities	287,818	353,111
International Mutual Funds - Equities	33,866	50,405
Mutual Funds - Bonds	21,231	20,365
U.S. Agency Bonds	140,902	141,161
Total Investments	\$ 1,158,808	\$ 1,240,171

Investment income was comprised of the following:

	2017	2016
Interest and Dividend Income	\$ 10,303	\$ 2,072
Unrealized and Realized Gain	151,181	44,811
Total	\$ 161,484	\$ 46,883

It is the intent of St. David's to hold the above investments on a long-term basis.

NOTE 4 FAIR VALUE MEASUREMENTS

The following table presents St. David's fair value for those investments measured at fair value on a recurring basis as of December 31:

	2017			
	Level 1	Level 2	Level 3	Total
Domestic Equities	\$ 203,690	\$ -	\$ -	\$ 203,690
Mutual Funds - Bond	300,661	-	-	300,661
Mutual Funds - Stock	335,092	-	-	335,092
Total Investments	\$ 839,443	\$ -	\$ -	\$ 839,443

**ST. DAVID'S CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

The following table presents St. David's fair value for those investments measured at fair value on a recurring basis as of December 31:

	2016			Total
	Level 1	Level 2	Level 3	
Corporate Bonds	\$ -	\$ 90,384	\$ -	\$ 90,384
Domestic Equities	353,111	-	-	353,111
International Mutual Funds - Equities	50,405	-	-	50,405
Mutual Funds - Bond	20,365	-	-	20,365
U.S. Agency Bonds	-	141,161	-	141,161
Total Investments	\$ 423,881	\$ 231,545	\$ -	\$ 655,426

NOTE 5 PROPERTY AND EQUIPMENT

St. David's owned the following assets as of December 31, 2017 and December 31, 2016:

	2017	2016
Land	\$ 132,136	\$ 132,136
Building and Improvements	16,101,894	16,087,207
Furniture and Equipment	3,117,991	3,065,922
Vehicles	16,976	16,976
Construction in Progress	1,508,123	-
Subtotal	20,877,120	19,302,241
Less: Accumulated Depreciation	(6,856,689)	(6,148,416)
Total	\$ 14,020,431	\$ 13,153,825

Depreciation expense of \$716,744 and \$336,345 was recorded for the year ended December 31, 2017 and seven months ended December 31, 2016, respectively.

Renovation

In May 2014, St. David's was awarded \$3,750,000 in grant funding from the state of Minnesota bonding bill, through Hennepin County. In June 2015, St. David's started construction on renovation of its campus. The renovation cost \$6,975,918 and was financed through a combination of private contributions and the \$3,750,000 grant from the state of Minnesota. The renovation was completed in July 2016.

On March 31, 2015, St. David's entered into a 50-year ground lease with Hennepin County. At the same time, Hennepin County entered into a 20-year lease agreement to lease it back to St. David's. At the end of the 20-year term of the lease-back, St. David's has the option to renew the lease-back for two successive periods, the first of which shall be for 20 years, and the second shall be an additional 10 years. Management considers the possibility that the lease-back would not be renewed with Hennepin County as remote and, therefore, has retained the overall campus on its financial statements as a capital asset and will depreciate the campus over its useful life.

**ST. DAVID'S CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 6 NOTES PAYABLE

St. David's held a \$2,000,000 line of credit with Anchor Bank which expires on July 15, 2018. The obligation was secured by all assets of St. David's. The interest rate is 4.25% (or prime) at December 31, 2017. The outstanding amount on the line of credit as of December 31, 2017 and 2016 was \$-0- and \$-0-, respectively.

During the year ended May 31, 2012, the city of Minnetonka issued a revenue note in the amount of \$3,750,000 and created a loan agreement between the city and St. David's. As of May 31, 2013, St. David's had received all of these proceeds to use for construction and expansion of a new facility. The revenue note has a final maturity date of August 26, 2031, with varying interest rates throughout the life of the note. St. David's was drawing funds against this note as construction costs occurred, and the payments were going directly to the contractor. Interest-only monthly payments were made on the note through the year ending May 31, 2014, and are the only required payments until construction is completed. The note was converted to a fixed rate note, effective August 2016 requiring monthly payments of \$11,984 through maturity. St. David's elected a five-year fixed interest rate option of 4.125% at the time of the note conversion. The fixed interest rate is scheduled to reset on August 26, 2021. Total interest expense related to debt for the year ended December 31, 2017 and seven months ended December 31, 2016 was \$78,392 and \$78,053, respectively.

In accordance with the debt agreements, St. David's is required to meet certain reporting and financial covenants.

Maturities of the notes payable are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2018	\$ 143,810
2019	143,810
2020	143,810
2021	143,810
2022	143,810
Thereafter	401,042
Total	<u>\$ 1,120,092</u>

NOTE 7 CAPITAL LEASE PAYABLE

As of the year ended December 31, 2017, St. David's holds one noncancelable equipment lease that fall under capital lease treatment. The lease was capitalized and included in equipment in the amount of \$117,996 less accumulated depreciation of \$49,165 for the year ended December 31, 2017.

**ST. DAVID'S CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 7 CAPITAL LEASE PAYABLE (CONTINUED)

The following is a schedule of future minimum lease payments.

<u>Year Ending December 31,</u>	<u>Amount</u>
2018	\$ 29,614
2019	26,359
2020	<u>10,602</u>
Total	66,575
Less: Imputed Interest at 5.67%	<u>(3,336)</u>
Net Amount Due	63,239
Less: Portion Due Within One (1) Year	<u>(29,614)</u>
Long-Term Portion	<u><u>\$ 33,625</u></u>

Amortization expense related to the leases of \$26,019 and \$20,688 was included in depreciation expense for the year ended December 31, 2017 and seven months ended December 31, 2017, respectively.

NOTE 8 ENDOWMENT FUNDS

Endowment funds consist of permanently restricted, temporarily restricted, and board-designated funds and are established for the following purposes:

Permanently Restricted Funds – Donor-restricted funds to be held in perpetuity with the income and related investments gains to be used for purposes as determined by the board of directors.

Temporarily Restricted Funds – Accumulation of earnings from the permanently restricted endowment that have not been appropriated for expenditure.

Board Designated Funds – Funds designated by the board of directors to be held for endowment purposes, the income and related investment gains to be used for purposes as determined by the board of directors.

As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

**ST. DAVID'S CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 8 ENDOWMENT FUNDS (CONTINUED)

Interpretation of Relevant Law

The board of directors has interpreted the Minnesota Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift, as of the gift date, of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, St. David's classifies permanent restricted net assets as:

- (a) The original value of gifts donated to the permanent endowment
- (b) The original value of subsequent gifts to the permanent endowment
- (c) Accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by St. David's in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, St. David's considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1. The duration and preservation of the fund
- 2. The purpose of the organization and the donor-restricted endowment fund
- 3. General economic conditions
- 4. The possible effect of inflation and deflation
- 5. The expected total return from income and the appreciation of investments
- 6. Other resources of the organization
- 7. The investment policies of the organization

St. David's will review the above noted factors annually as a part of the yearly budget process and will make an annual determination of whether or not to appropriate or accumulate funds. At the time of review, should the fair value of assets associated with individual donor-restricted endowment funds be below the level that the donor requires St. David's to retain as a fund of perpetual duration, no funds will be appropriated.

Fund with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires St. David's to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported in unrestricted net assets were \$-0- as of December 31, 2017 and 2016.

**ST. DAVID'S CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 8 ENDOWMENT FUNDS (CONTINUED)

Fund with Deficiencies (Continued)

Endowment funds consisted of the following:

	Changes in Endowment Net Assets			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Net Assets - December 31, 2016	\$ -	\$ 40,301	\$ 1,631,717	\$ 1,672,018
Contributions	-	-	-	-
Investment Return:				
Interest and Dividends	-	10,303	-	10,303
Unrealized Gain	-	131,641	-	131,641
Appropriations	-	(69,222)	-	(69,222)
Net Assets - December 31, 2017	<u>\$ -</u>	<u>\$ 113,023</u>	<u>\$ 1,631,717</u>	<u>\$ 1,744,740</u>

	Changes in Endowment Net Assets			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Net Assets - May 31, 2016	\$ -	\$ 219,629	\$ 1,631,717	\$ 1,851,346
Contributions	-	-	-	-
Investment Return:				
Interest and Dividends	-	6,072	-	6,072
Unrealized Gain	-	33,462	-	33,462
Appropriations	-	(218,862)	-	(218,862)
Net Assets - December 31, 2016	<u>\$ -</u>	<u>\$ 40,301</u>	<u>\$ 1,631,717</u>	<u>\$ 1,672,018</u>

All endowment net assets were donor-restricted endowment funds.

Investment Objectives and Strategies

St. David's has adopted an investment policy to provide guidelines for investing endowment assets. Under this policy, as approved by the finance committee of the board of directors, the endowment assets are invested in a manner that is intended to manage for consistent total returns with a long-term growth objective, manage with a moderate level of risk, and maintain sufficient diversification of assets. To achieve these objectives, St. David's follows an asset diversification plan, sets performance benchmarks for investments managers, and has established various asset quality and limitations thresholds. An investment advisory committee regularly reviews investment diversification and performance.

**ST. DAVID'S CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 9 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of amounts for the following:

	<u>2017</u>	<u>2016</u>
Building Fund	\$ 6,026,086	\$ 6,632,862
Westminster Building Fund	1,042,751	-
Early Childhood Mental Health Outreach	35,619	112,500
Family Place	-	2,802
Children's Mental Health	-	43,334
Child and Family Development	-	50,000
Advancing the Field	103,333	-
Other	35,256	15,000
Unspent Endowment Earnings	113,023	40,301
Total	<u>\$ 7,356,068</u>	<u>\$ 6,896,799</u>

NOTE 10 PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets consisted of amounts for the following:

	<u>2017</u>	<u>2016</u>
Frank Bennett Endowment	\$ 1,000,000	\$ 1,000,000
Program Endowment	166,153	166,153
Ayse Tanberk Scholarship Endowment	112,072	112,072
Martha Bennett Curriculum Endowment	80,821	80,821
Parenting Symposium Endowment	46,880	46,880
Arts Endowment	45,000	45,000
Playground Upkeep Endowment	40,000	40,000
Family Services Endowment	39,617	39,617
Cynthia Burns Memorial Endowment	25,000	25,000
Lindahll Curriculum Endowment	25,000	25,000
Brooks Curriculum Endowment	25,000	25,000
Music Therapy Endowment	10,500	10,500
Mary Griffin Scholarship Endowment	15,674	15,674
Total	<u>\$ 1,631,717</u>	<u>\$ 1,631,717</u>

NOTE 11 PENSION PLAN

St. David's maintains a 403(b) Retirement Savings Plan that covers those employees who meet eligibility requirements. Employer contributions of \$182,864 and \$91,578 were made in the year ended December 31, 2017 and seven months ended December 31, 2016, respectively.

**ST. DAVID'S CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 12 LEASED FACILITIES AND EQUIPMENT

Rental commitments under noncancelable leases for office space, equipment, and vehicles in effect at year ended December 31, 2017 and seven months ended December 31, 2016, total \$1,052,329 and \$898,488, respectively. The future rental commitments are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2018	\$ 230,333
2019	224,919
2020	227,944
2021	196,713
2022	27,960
Thereafter	144,460
Total	<u>\$ 1,052,329</u>

Rental expense was \$246,779 and \$168,234 for the year ended December 31, 2017 and seven months ended December 31, 2016, respectively.

In October 2016, Westminster Presbyterian Church, invited St. David's to become a partner organization in their new building in downtown Minneapolis. Through their Open Doors Open Futures campaign, they envisioned bringing a partner into their building which aligned with their goal to provide access to services to families across our community. St. David's proposed building a Child and Family Wellbeing Center on their campus which will be focused on children ages birth to five who have experienced trauma and/or have developmental challenges. The center will have a mix of pediatric assessment and therapy services including: Autism Day Treatment, Mental Health Day Treatment, Occupational Therapy, Speech Language Pathology; Parent-Child Psychotherapy and other support services. The center opened in March of 2018. The lease related to this space will span 10 years and is reflected in the above table.

In conjunction with this project, St. David's has agreed to terms on a bridge loan with a financial institution to finance the tenant improvements in the Westminster Presbyterian Church. The loan is a draw loan for up to \$2,000,000 that will have a term of 24 months with a floating interest rate of the Wall Street Journal Prime rate + 0.50%. The loan will be secured by the business assets of St. David's.

NOTE 13 MAJOR SOURCES OF SUPPORT AND REVENUE

Major sources of support and revenue were as follows:

	<u>2017</u>	<u>2016</u>
State of Minnesota	\$ 11,285,262	\$ 6,970,307
Hennepin County	2,037,381	1,229,353

ST. DAVID'S CENTER
SCHEDULE OF EXPENSE BY PROGRAM
YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE TOTALS FOR SEVEN MONTHS ENDED DECEMBER 31, 2016)
(SEE INDEPENDENT AUDITORS' REPORT)
(UNAUDITED)

	December 31, 2017							
	Program Services							
	Mental Health Skills Training	School Linked Mental Health	Therapeutic Recreation	Multi- Dimensional Treatment Foster Care	Personal Care Attendant Services	Waivered Services Foster Care	Therapeutic Foster Care	Children's Mental Health Case Management
Salaries	\$ 412,141	\$ 519,238	\$ 442,322	\$ 89,794	\$ 1,946,666	\$ 1,911,152	\$ 266,016	\$ 246,858
Employee Benefits	35,828	43,930	38,996	7,252	177,002	171,549	22,012	20,494
Payroll Taxes	39,454	55,805	28,859	4,291	54,438	34,687	18,354	32,133
Total Personnel Costs	<u>487,423</u>	<u>618,973</u>	<u>510,177</u>	<u>101,337</u>	<u>2,178,106</u>	<u>2,117,388</u>	<u>306,382</u>	<u>299,485</u>
Professional, Training, Activity, and Other Fees	9,349	6,759	70,506	7,076	108	8,196	4,066	1,040
Occupancy	9,669	2,783	40,880	7,179	5,192	5,025	13,612	8,348
Communications	6,313	7,727	5,458	5,270	1,553	1,676	3,411	4,387
Depreciation	424	404	872	322	205	277	656	624
Supplies	1,688	1,212	1,796	638	141	43	18,159	135
Other Operating Expenses	3,107	3,118	4,497	2,727	11,684	21,545	(6,939)	679
Transportation	17,849	4,318	39,226	3,434	3,908	1,782	21,029	8,073
Insurance	-	-	-	-	1,100	-	-	-
Scholarship	-	-	1,913	-	-	-	-	-
Bad Debt	10,550	9,050	5,895	1,400	159,000	18,100	17,150	1,800
Foster Provider Reimbursements	-	-	-	-	-	-	-	-
MNCare Tax	6,567	14,618	-	903	-	-	(72)	-
Marketing/Advertising	-	300	-	-	-	-	-	-
Interest Expense	2,821	3,805	2,746	111	6,798	11,335	1,685	1,659
Total Expense	<u>\$ 555,760</u>	<u>\$ 673,067</u>	<u>\$ 683,966</u>	<u>\$ 130,397</u>	<u>\$ 2,367,795</u>	<u>\$ 2,185,367</u>	<u>\$ 379,139</u>	<u>\$ 326,230</u>

ST. DAVID'S CENTER
SCHEDULE OF EXPENSE BY PROGRAM (CONTINUED)
YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE TOTALS FOR SEVEN MONTHS ENDED DECEMBER 31, 2016)
(SEE INDEPENDENT AUDITORS' REPORT)
(UNAUDITED)

	December 31, 2017						
	Program Services						
	NW Early Childhood Home Visiting	Supported Living Services	Group Homes	Family Place	Infant Team Pilot Program	Healthy Families - IPD	Healthy Families - IPDP Clinical Supervision
Salaries	\$ 138,321	\$ 343,137	\$ 235,879	\$ 619,065	\$ 426,166	\$ 385,941	\$ 28,181
Employee Benefits	12,007	30,568	20,914	53,584	36,461	33,370	1,875
Payroll Taxes	14,279	16,253	19,070	77,534	34,542	32,916	5,459
Total Personnel Costs	<u>164,607</u>	<u>389,958</u>	<u>275,863</u>	<u>750,183</u>	<u>497,169</u>	<u>452,227</u>	<u>35,515</u>
Professional, Training, Activity, and Other Fees	443	2,267	3,598	1,548	3,505	8,599	11,080
Occupancy	4,438	3,856	41,528	-	18,671	17,766	668
Communications	1,867	4,057	5,103	5,162	8,090	8,544	121
Depreciation	245	148	48	20,775	871	877	5
Supplies	5,481	316	10,629	7,068	1,347	1,464	196
Other Operating Expenses	166	2,373	4,031	4,443	190	405	12
Transportation	6,676	5,880	5,416	5,190	16,439	13,744	493
Insurance	-	-	2,415	-	-	-	-
Scholarship	-	-	-	-	381	-	-
Bad Debt	-	2,900	82	2,412	1,830	-	-
Foster Provider Reimbursements	-	-	-	-	-	-	-
MNCare Tax	-	-	-	10,609	1,552	-	-
Marketing/Advertising	-	-	-	-	-	-	-
Interest Expense	916	1,819	1,707	3,915	-	2,865	305
Total Expense	<u>\$ 184,839</u>	<u>\$ 413,574</u>	<u>\$ 350,420</u>	<u>\$ 811,305</u>	<u>\$ 550,045</u>	<u>\$ 506,491</u>	<u>\$ 48,395</u>

ST. DAVID'S CENTER
SCHEDULE OF EXPENSE BY PROGRAM (CONTINUED)
YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE TOTALS FOR SEVEN MONTHS ENDED DECEMBER 31, 2016)
(SEE INDEPENDENT AUDITORS' REPORT)
(UNAUDITED)

	December 31, 2017							
	Program Services							
	Early Childhood Education and In Center Respite	Pediatric Therapy	Outpatient Mental Health Services	Autism Day Treatment	Autism Spectrum Disorder Support Services	Multi- Disciplinary Assessment Team	Community Autism Day Treatment	
	Advancing the Field							
Salaries	\$ 58,483	\$ 1,501,963	\$ 1,307,128	\$ 364,826	\$ 1,479,214	\$ 570,062	\$ 145,575	\$ 448,564
Employee Benefits	4,496	130,415	110,702	31,530	133,765	50,149	12,704	38,515
Payroll Taxes	5,450	147,805	143,223	22,847	155,355	45,994	6,431	34,854
Total Personnel Costs	<u>68,429</u>	<u>1,780,183</u>	<u>1,561,053</u>	<u>419,203</u>	<u>1,768,334</u>	<u>666,205</u>	<u>164,710</u>	<u>521,933</u>
Professional, Training, Activity, and Other Fees	72,977	27,622	14,382	1,779	3,381	7,685	1,560	2,360
Occupancy	-	2,151	164	5,014	798	22,820	-	54,721
Communications	141	14,374	6,707	3,862	17,141	10,139	2,375	5,015
Depreciation	-	81,959	73,384	8,037	38,038	2,986	2,097	11,473
Supplies	13,775	59,469	13,813	2,402	8,491	583	9,080	3,104
Other Operating Expenses	204	9,049	690	591	6,494	1,962	293	779
Transportation	921	7,243	397	2,077	4,978	19,112	174	4,589
Insurance	-	-	-	-	-	-	-	-
Scholarship	-	16,097	2,430	-	-	869	-	-
Bad Debt	-	13,900	77,000	15,650	59,000	21,550	18,400	850
Foster Provider Reimbursements	-	-	-	-	-	-	-	-
MNCare Tax	-	-	16,085	5,695	27,251	33,299	(4)	11,288
Marketing/Advertising	370	-	-	-	-	-	-	-
Interest Expense	1,194	9,486	9,974	2,508	8,535	3,935	1,572	2,198
Total Expense	<u>\$ 158,011</u>	<u>\$ 2,021,533</u>	<u>\$ 1,776,079</u>	<u>\$ 466,818</u>	<u>\$ 1,942,441</u>	<u>\$ 791,145</u>	<u>\$ 200,257</u>	<u>\$ 618,310</u>

ST. DAVID'S CENTER
SCHEDULE OF EXPENSE BY PROGRAM (CONTINUED)
YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE TOTALS FOR SEVEN MONTHS ENDED DECEMBER 31, 2016)
(SEE INDEPENDENT AUDITORS' REPORT)
(UNAUDITED)

	December 31, 2017				December 31, 2016		
	Program Services		Support Services				
	CORE and Reception	Total Program Services	Management and General	Development	Total Support Services	Total All Services	Total All Services
Salaries	\$ 353,337	\$ 14,240,029	\$ 1,550,808	\$ 292,756	\$ 1,843,564	\$ 16,083,593	\$ 9,160,707
Employee Benefits	22,793	1,240,911	119,389	21,872	141,261	1,382,172	758,815
Payroll Taxes	40,013	1,070,046	184,686	36,707	221,393	1,291,439	817,435
Total Personnel Costs	416,143	16,550,986	1,854,883	351,335	2,206,218	18,757,204	10,736,957
Professional, Training, Activity, and Other Fees	2,782	272,668	418,732	29,583	448,315	720,983	483,296
Occupancy	-	265,283	340,093	-	340,093	605,376	351,510
Communications	14,176	142,669	220,014	5,372	225,386	368,055	229,521
Depreciation	1,246	245,973	467,922	2,849	470,771	716,744	336,345
Supplies	262	161,292	43,653	2,264	45,917	207,209	123,990
Other Operating Expenses	817	72,917	138,771	11,451	150,222	223,139	184,341
Transportation	-	192,948	4,451	739	5,190	198,138	111,454
Insurance	-	3,515	95,931	-	95,931	99,446	62,902
Scholarship	-	21,690	-	-	-	21,690	12,110
Bad Debt	-	436,519	-	125	125	436,644	293,660
Foster Provider Reimbursements	-	-	-	-	-	-	-
MNCare Tax	-	127,791	-	-	-	127,791	62,336
Marketing/Advertising	-	670	66,733	21,426	88,159	88,829	47,325
Interest Expense	-	81,889	-	-	-	81,889	80,179
Total Expense	\$ 435,426	\$ 18,576,810	\$ 3,651,183	\$ 425,144	\$ 4,076,327	\$ 22,653,137	\$ 13,115,926