

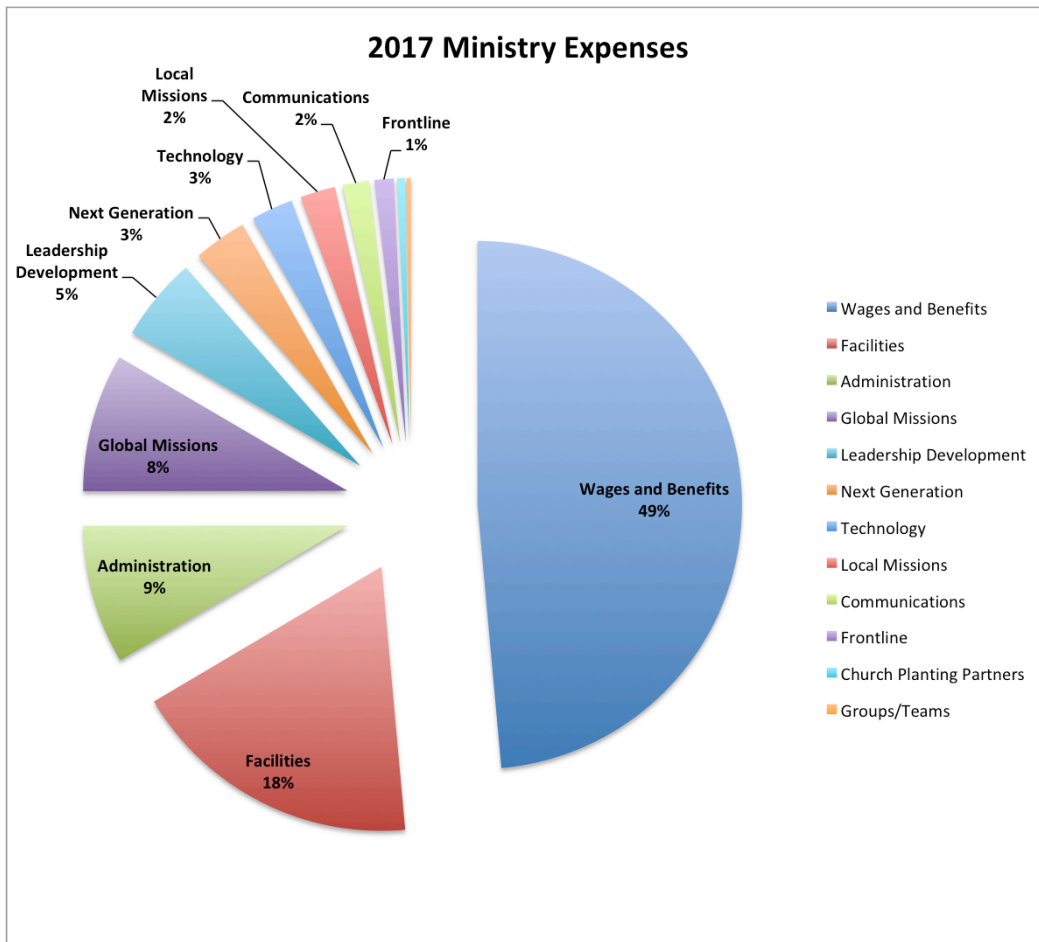
2017 One Life Year End update

On 10/10/17, we celebrated our 7th year on this One Life Church journey. It would be appropriate to call 2017 the "year of connections".

As we have grown over the last 7 years, 2017 brought us into a very clear realization that we needed to up our intentionality around our connection path and related systems. At One Life we often say "we do life in groups and teams" and for a variety of reasons our connectivity had slipped which ultimately caused our attendance to plateau and even slide a little in 2017.

We spent the year building systems and processes including a weekly meeting with our staff to "reengineer" our connection process and make sure we were responsibly making sure the people that enter our doors have the opportunity to experience community in a healthy discipleship environment.

Below is a graph of expenses showing how we invested in ministry and the following pages include our dashboard of attendance and giving and our financial statements.



**One Life Stats-Jan thru December, 2017
Dashboard Summary**

Calendar year

Jan-December	2011	2012	2013	2014	2015	2016	2017
Adults:	890	1,167	1,385	1,419	1346	1242	1127
Kids Ministry:	<u>243</u>	<u>329</u>	<u>502</u>	<u>534</u>	<u>537</u>	<u>512</u>	<u>373</u>
Total	1,133	1,526	1,887	1,953	1883	1754	1500
Offerings	\$19,654	\$22,203	\$28,736	\$33,293	\$36,042	\$37,663	\$35,330
GPA	\$22	\$19	\$21	\$23	\$27	\$30	\$31

Jan -December

Hendo

	<i>Jan-Dec</i> 2016	<i>Jan-Dec</i> 2017
Adults:	419	384
Kids:	<u>174</u>	<u>123</u>
Total	593	507
Offerings	\$14,758	\$13,718
GPA	\$35	\$36

West

	<i>Jan-Dec</i> 2016	<i>Jan-Dec</i> 2017
Adults:	323	292
Kids:	<u>150</u>	<u>95</u>
Total	473	387
Offerings	\$6,879	\$6,336
GPA	\$21	\$20

East

	<i>Jan-Dec</i> 2016	<i>Jan-Dec</i> 2017
Adults:	466	450
Kids:	<u>197</u>	<u>157</u>
Total	663	607
Offerings	\$16,026	\$15,276
GPA	\$34	\$34

One Life Network, Inc.

Financial Statements

For the Year Ended December 31, 2017



VOWELLS & SCHAAF, LLP

A Limited Liability Partnership

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

May 8, 2017

To the Board of Directors
One Life Network, Inc.
P.O. Box 5082
Evansville, IN 47716

We have reviewed the accompanying financial statements of One Life Network, Inc., which comprise the statement of assets, liabilities and net assets - modified cash basis - as of December 31, 2017, and the related statement of revenues, expenses and other changes in net assets - modified cash basis for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

Vowells & SchAAF LLP

CERTIFIED PUBLIC ACCOUNTANTS

BOONVILLE
501 West Main Street
P.O. Box 465
47601
Phone: (812) 897-0120
Fax: (812) 897-1079

EVANSVILLE
601 S.E. ML King Jr. Blvd.
P.O. Box 119
47701-0119
Phone: (812) 421-4165
Fax: (812) 421-4179

PRINCETON
220 N. Hart Street
P.O. Box 384
47670
Phone: (812) 385-4872
Fax: (812) 385-5199

One Life Network, Inc.
Statement of Assets, Liabilities, and Net Assets - Modified Cash Basis
December 31, 2017

ASSETS

CURRENT ASSETS

Cash	\$	210,930
Investments		6,074
TOTAL CURRENT ASSETS		<u>217,004</u>

PROPERTY AND EQUIPMENT		2,014,468
Less Accumulated Depreciation		<u>(1,039,485)</u>
TOTAL PROPERTY AND EQUIPMENT, NET		<u>974,983</u>

OTHER ASSETS		
Employee Advances		<u>10,000</u>
TOTAL OTHER ASSETS		<u>10,000</u>

TOTAL ASSETS	\$	<u><u>1,201,987</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Current Maturities of Long Term Debt	\$	9,813
Payroll Taxes Withheld		<u>3,009</u>
TOTAL CURRENT LIABILITIES		<u>12,822</u>

Long Term Debt - Net of Current Maturities		<u>12,837</u>
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TOTAL LIABILITIES		25,659
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NET ASSETS

Unrestricted		1,176,328
Temporarily Restricted		0
Permanently Restricted		<u>0</u>
TOTAL NET ASSETS		<u>1,176,328</u>

TOTAL LIABILITIES AND NET ASSETS	\$	<u><u>1,201,987</u></u>
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One Life Network, Inc.
Statement of Revenues, Expenses and Other Changes
In Net Assets-Modified Cash Basis
For the Year Ended December 31, 2017

		% of Revenues
REVENUES		
Tithes and Offerings	\$ 1,851,947	91.13 %
Uncharted - Global Missions	30,243	1.49
Engage - Local Missions	21,377	1.05
Next Generation	24,229	1.19
Church Planting	17,429	0.86
Leadership Development	65,096	3.20
Miscellaneous Income	<u>21,932</u>	<u>1.08</u>
TOTAL REVENUES	2,032,253	100.00
EXPENSES		
Administration	5,127	0.25
Automobile	12,451	0.61
Supplies & Materials	14,589	0.72
Fellowship One	28,433	1.40
Insurance	20,265	1.00
Legal & Accounting	28,270	1.39
Travel & Meals	7,420	0.37
Consultant	22,048	1.08
Church Planting	9,235	0.45
Communication	31,609	1.56
Depreciation	169,095	8.32
Engage Local Missions	42,212	2.08
Facilities	37,361	1.84
Utilities	60,547	2.98
Rent	239,787	11.80
Repairs	14,917	0.73
Frontline	22,802	1.12
Interest	1,117	0.05
Merchant Processing Fees	28,501	1.40
Leadership Development	100,250	4.93
Life Groups	5,414	0.27
Next Generation-Kids and Students	64,002	3.15
Uncharted Global Missions	166,373	8.19
Technology	50,406	2.48
Wages and Benefits	<u>955,356</u>	<u>47.01</u>
TOTAL EXPENSES	<u>2,137,587</u>	<u>105.18</u>
CHANGE IN NET ASSETS	<u>(105,334)</u>	<u>(5.18)%</u>
NET ASSETS AT BEGINNING OF YEAR	<u>1,281,662</u>	
NET ASSETS AT END OF YEAR	<u>\$ 1,176,328</u>	

See Accompanying Notes and Independent Accountants' Review Report

One Life Network, Inc.
Statement of Functional Expenses - Modified Cash Basis
For the Year Ended December 31, 2017

	<u>Program Activities</u>		<u>Supporting Activities</u>		Total Expenses
	Community Development		Administrative	Fundraising	
Expenses					
Administration	\$ 5,127		\$ 0	\$ 0	5,127
Automobile	11,206		1,245	0	12,451
Supplies & Materials	14,589		0	0	14,589
Fellowship One	28,433		0	0	28,433
Insurance	18,238		2,027	0	20,265
Legal & Accounting	25,443		2,827	0	28,270
Travel & Meals	6,678		742	0	7,420
Consultant	0		22,048	0	22,048
Church Planting	9,235		0	0	9,235
Communication	31,609		0	0	31,609
Engage Local Missions	42,212		0	0	42,212
Facilities	34,877		2,484	0	37,361
Utilities	60,547		0	0	60,547
Rent	239,787		0	0	239,787
Repairs	14,917		0	0	14,917
Frontline	22,802		0	0	22,802
Interest	1,005		112	0	1,117
Merchant Processing Fees	28,501		0	0	28,501
Leadership Development	90,225		10,025	0	100,250
Life Groups	5,414		0	0	5,414
Next Generation-Kids and Students	58,193		5,809	0	64,002
Uncharted Global Missions	166,373		0	0	166,373
Technology	48,508		1,898	0	50,406
Wages & Benefits	859,820		95,536	0	955,356
Total Expenses before Depreciation	1,823,739		144,753	0	1,968,492
Depreciation	169,095		0	0	169,095
	\$ 1,992,834		\$ 144,753	\$ 0	2,137,587

See Accompanying Notes and Independent Accountants' Review Report

One Life Network, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income (Loss)	\$	(105,334)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and Amortization		169,095
Decrease (Increase) in Operating Assets:		
Employee Advances		(1,500)
Increase (Decrease) in Operating Liabilities:		
Payroll Taxes Payable		<u>(363)</u>
Total Adjustments		<u>167,232</u>
Net Cash Provided By (Used In) Operating Activities		<u>61,898</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Capital Expenditures		<u>(32,635)</u>
Net Cash Provided By (Used In) Investing Activities		<u>(32,635)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Note Payable Repayments		<u>(9,423)</u>
Net Cash Provided By (Used In) Financing Activities		<u>(9,423)</u>
Net Increase (Decrease) In Cash and Cash Equivalents		19,840
Beginning Cash and Cash Equivalents		<u>197,164</u>
Ending Cash and Cash Equivalents	\$	<u><u>217,004</u></u>

See Accompanying Notes and Independent Accountants' Review Report

One Life Network, Inc.
Notes to Financial Statements
December 31, 2017

Note 1 Basis of Accounting

The accounting records and accompanying financial statements have been maintained and prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). As permitted for modified cash basis reporting purposes, the Organization has not implemented all of the financial reporting requirements of GAAP.

The Organization's policy is to prepare its financial statements on the modified cash basis of accounting; consequently, contributions and other revenues are recognized when received rather than when promised or earned, and certain expenses and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred.

Note 2 Organization and Summary of Significant Accounting Policies

Nature of Activities

The Organization was incorporated in the State of Indiana on April 23, 2007. The Organization is a not-for-profit corporation operating as a Church and organization with the dream of planting churches that are completely devoted to helping people who are far from God trust and follow Jesus. The Organization's vision of planting churches to change the secular worldview of the next generation has thus far culminated in a Henderson Church site as well Evansville West and Evansville East Church locations. The Evansville East Church has evolved into the Organization's central location for operations.

Income Tax Status

One Life Network is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization annually files Form 990 in the U.S. federal jurisdiction and an Indiana NonProfit Organization's Annual Report.

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Date of Management's Review

Management has evaluated subsequent events through May 8, 2018, the date on which the financial statements were available to be issued.

Cash and Cash Equivalents

The Organization defines its cash and cash equivalents to include only cash on hand and demand deposits. For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use to be cash equivalents. One Life Network has no cash or cash equivalents subject to donor imposed restrictions; therefore, all amounts are reported as unrestricted in the statement of assets, liabilities, and net assets.

The Organization has six on demand accounts consisting of four checking and two savings accounts at banking institutions in Evansville, Indiana. The accounts are insured by the FDIC up to \$250,000. At December 31, 2017 the Organization had no uninsured cash balances.

Contributions

The Organization collects contributions with the understanding the funds are to be available for unrestricted use by the Organization. One Life Network received no amounts designated for future periods or restricted by the donor for specific purposes, and all amounts are reported as unrestricted in the statement of assets, liabilities, and net assets.

See Independent Accountants' Review Report

One Life Network, Inc.
Notes to Financial Statements
December 31, 2017

Note 2 - Organization and Summary of Significant Accounting Policies (Continued)

Donated Services and In-kind Support

The Organization benefits from volunteers contributing their time towards the Church's mission without payment or compensation. Materials, supplies and other similar noncash donations are on occasion received by the Organization without reimbursement. No amounts have been recognized as contributions in the accompanying statement of revenues, expenses and other changes in net assets for these type of amounts as the criteria for recognition has not been met.

The Organization receives non cash contributions, such as publicly held stock, which are recorded as revenue at fair value determined based on quoted market prices at the date of donation.

Expense Allocation

The costs of the Organization's programs and supporting services have been reported on a functional basis in the statement of functional expenses. Expenses are charged to a program or support service based on direct expenses incurred. An expense not directly chargeable to a program or support service is allocated to supporting services based upon a management estimate. Accordingly, management has estimated these indirect costs as 90% program related and 10% supporting service related.

Advertising and Marketing

Advertising costs are expensed as incurred by the Organization and consisted of online and print mediums. For the year ended December 31, 2017, advertising costs amounted to \$998.

Depreciation and Amortization

Property and equipment are recorded at cost and are depreciated over the estimated useful life of the related asset. The Organization has a capitalization policy on purchases exceeding \$1,000. Maintenance, repairs and minor renewals are expensed as incurred. The Company provides for depreciation of property and equipment for financial reporting purposes using the Modified Accelerated Cost Recovery System designed to depreciate the cost of such assets over their estimated useful lives, which are typically 3, 5, 7, 15 and 39 years.

Note 3 Investments

Investments are stated at fair value determined based on quoted market prices and consist of equities, as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation</u>
Equities (common stock)	\$ 6,074	\$ 6,074	\$ 0
	<u>\$ 6,074</u>	<u>\$ 6,074</u>	<u>\$ 0</u>

Note 4 Property and Equipment

	<u>December 31, 2017</u>
Equipment	\$ 543,552
Furniture & Fixtures	91,597
Improvements	1,317,069
Vehicles	62,250
	<u>2,014,468</u>
Less Accumulated Depreciation	<u>(1,039,485)</u>
	<u>\$ 974,983</u>

One Life Network, Inc.
Notes to Financial Statements
December 31, 2017

Note 5 Long-Term Debt

Long-Term debt at December 31, 2017, consists of the following:

	<u>12/31/2017</u>
Promissory Note - Farmer's Bank and Trust Company	\$ 22,650
Less: current portion	(9,813)
Total long-term debt	\$ 12,837

Due in monthly installments of \$878 including interest based on a fixed interest rate of 4.0% through March 2020. Total principal and interest paid amounted to \$9,423 and \$1,117 for the year ended December 31, 2017.

Future maturities are as follows:

Year Ended December 31:	<u>Promissory Note</u>
2018	\$ 9,813
2019	10,213
2020	2,624
	\$ 22,650

Note 6 Lease Arrangements

The Organization occasionally rents equipment under short term operating lease terms. The equipment rent expense for the year ended December 31, 2017 was \$1,668.

The Organization has three network Church locations which are under separate operating leases as described below:

Henderson

The Organization entered into an operating lease for premises situated at 1644 Second Street in Henderson on May 19, 2010 for a period of five years. The Organization occupies approximately 18,000 square feet as tenants. Monthly rent is fixed at \$3,000 per month and common area maintenance (CAM) charges are assessed and payable monthly in the amount of \$350. The lease requires the Organization to pay executory costs such as taxes, utilities, and insurance.

The lease contains renewal options for 2 three -year periods through September 2021. Beginning on January 1, 2017 the Organization exercised the option to extend the lease and include a second property (1646 Second Street) for the renewal period of \$3,450 and monthly CAM and net charges (insurance, utilities and taxes) of \$350. Lease expense for the Organization for the year then ended December 31, 2017 was \$42,085.

Future minimum lease payments under the operating lease as of December 31, 2017 are:

Year Ended December 31:			
2018	\$	45,600	
2019		45,600	
2020		45,600	
2021		34,200	
		\$ 171,000	

One Life Network, Inc.
Notes to Financial Statements
December 31, 2017

Note 6 - Lease Arrangements (Continued)

Evansville West

The Organization entered into an operating lease for premises situated at 1301 W. Lloyd Expressway in Evansville on March 22, 2012 for a period of eight years. The Organization occupies approximately 26,759 square feet as tenants. Monthly base rent is \$6,277 per month in year 1 and can increase to \$9,415 per month in years 7 and 8. Fluctuating common area maintenance (CAM) and net charges (insurance, utilities and taxes) are assessed and payable monthly ranging in the amount of \$500 to \$700. The lease requires the Organization to pay executory costs such as taxes, utilities, and insurance.

The lease contains renewal options for 2 five-year periods through April 2030, with a base rent monthly payment in year 18 of \$11,508. Lease expense for the Organization for the year then ended December 31, 2017 was \$109,716.

Future minimum lease payments under the operating lease as of December 31, 2017 are:

Year Ended December 31:

2018	\$	117,170
2019		119,262
2020		39,754
	\$	<u>276,186</u>

Evansville East

The Organization entered into an operating lease for premises situated at 333 Plaza East Blvd. in Evansville on June 25, 2013 for a period of eight years. The Organization occupies approximately 22,982 square feet as tenants. Monthly base rent is \$0 per month in year 1 and can increase to \$7,183 per month in year 8 along with additional estimated rent in the form of CAM, insurance, taxes and utilities of \$1,819 throughout the lease term. The lease requires the Organization to pay executory costs such as taxes, utilities, and insurance.

The lease contains renewal options for 2 five-year periods through July 2031, with a base rent monthly payment in years 11 through 18 of \$7,183. Lease expense for the Organization for the year then ended December 31, 2017 was \$87,986.

Future minimum lease payments under the operating lease as of December 31, 2017 are:

Year Ended December 31:

2018	\$	93,173
2019		98,918
2020		104,668
2021		45,011
	\$	<u>341,770</u>

Note 7

Defined Contribution Plan

The Organization sponsors a SIMPLE retirement plan covering substantially all employees. The Organization contributions match 100% of the employees' contribution up to a maximum of 3% of each eligible employee's compensation. The Organization contributed \$20,417 to the SIMPLE plan in 2017.