

LEGAL AID JUSTICE CENTER

**Financial Statement
and
Accompanying Information
for the year ended
June 30, 2014**

LEGAL AID JUSTICE CENTER

Contents

	Page
Independent Auditor's Report	1-2
Statements of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-12
Accompanying Information	
Schedule of Support, Revenue and Expenses and Changes in Net Assets	13

Frank Barcalow CPA, P.L.L.C.
Certified Public Accountant

Independent Auditor's Report

The Board of Directors
Legal Aid Justice Center
Charlottesville, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of Legal Aid Justice Center (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Legal Aid Justice Center as of June 30, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Legal Aid Justice's 2013 financial statements, and our report dated August 9, 2013, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matter

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

Frank Barcalow CPA, P.L.L.C.

Frank Barcalow CPA, P.L.L.C.
Richmond, Virginia
November 20, 2014

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Legal Aid Justice Center

-3-

Statement of Financial Position

June 30, 2014

(with comparative totals for the year ended June 30, 2013)

Assets	<u>2014</u>	<u>2013</u>
Current assets		
Cash and cash equivalents	\$ 122,850	\$ 271,628
Cash in escrow, client deposits	75,251	85,716
Contributions receivable	-	18,500
Contributions receivable - designated	250,000	501,000
Other receivables	77,697	151,589
Prepaid expenses	22,639	12,563
Deposits	7,375	7,375
Total current assets	<u>555,812</u>	<u>1,048,371</u>
 Property and equipment		
Furniture, improvements and property, net	<u>1,758,752</u>	<u>1,875,387</u>
Total assets	<u>\$ 2,314,564</u>	<u>\$ 2,923,758</u>
 Liabilities and net assets		
Current liabilities		
Accounts payable	\$ 81,652	\$ 137,504
Accrued annual leave	143,697	160,919
Line of credit	198,828	-
Note payable - short term	31,803	30,826
Client deposits	75,251	85,716
Unearned revenue	13,333	181,573
Deposits payable	4,597	2,847
Total current liabilities	<u>549,161</u>	<u>599,385</u>
 Note Payable	<u>448,395</u>	<u>486,771</u>
Total liabilities	<u>997,556</u>	<u>1,086,156</u>
 Commitments		
Net assets		
Unrestricted		
General	(211,546)	(39,688)
Property and equipment	<u>1,278,554</u>	<u>1,357,790</u>
Total unrestricted	<u>1,067,008</u>	<u>1,318,102</u>
 Temporarily restricted	<u>250,000</u>	<u>519,500</u>
Total net assets	<u>1,317,008</u>	<u>1,837,602</u>
 Total liabilities and net assets	<u>\$ 2,314,564</u>	<u>\$ 2,923,758</u>

See notes to financial statements.

Legal Aid Justice Center

-4-

Statement of Activities

For the Year Ended June 30, 2014

(with summarized totals for the year ended June 30, 2013)

	Unrestricted	Temporarily Restricted	2014 Total	2013 Total
Support and revenue				
Grants and contracts	\$ 2,144,038	\$ -	\$ 2,144,038	\$ 2,091,256
Local funding	649,676	-	649,676	650,301
Interest	-	-	-	583
Donated services	3,630,734	-	3,630,734	4,500,696
Contributions	643,281	-	643,281	743,367
Other income	158,589	-	158,589	138,533
	<u>7,226,318</u>	<u>-</u>	<u>7,226,318</u>	<u>8,124,736</u>
Net assets released from restrictions Expiration of time or purpose restrictions	<u>269,500</u>	<u>(269,500)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>7,495,818</u>	<u>(269,500)</u>	<u>7,226,318</u>	<u>8,124,736</u>
Expenses				
Program services				
Legal assistance	7,193,122	-	7,193,122	8,046,072
Supporting services				
Management and general	253,162	-	253,162	197,401
Fund-raising expenses	300,628	-	300,628	239,968
	<u>7,746,912</u>	<u>-</u>	<u>7,746,912</u>	<u>8,483,441</u>
Total expenses	<u>7,746,912</u>	<u>-</u>	<u>7,746,912</u>	<u>8,483,441</u>
Change in net assets	(251,094)	(269,500)	(520,594)	(358,705)
Net assets at beginning of year	<u>1,318,102</u>	<u>519,500</u>	<u>1,837,602</u>	<u>2,196,307</u>
Net assets at end of year	<u>\$ 1,067,008</u>	<u>\$ 250,000</u>	<u>\$ 1,317,008</u>	<u>\$ 1,837,602</u>

See notes to financial statements.

Legal Aid Justice Center

Statement of Functional Expenses

June 30, 2014

(with summarized totals for the year ended June 30, 2013)

	Program Services	Supporting Services	Fundraising Expense	2014 Total Expenses	2013 Total Expenses
Attorney salaries	\$ 1,324,354	\$ 31,711	\$ 14,551	\$ 1,370,616	\$ 1,404,839
Non-attorney legal salaries	405,221	-	-	405,221	500,540
Other professional salaries	184,840	84,152	114,514	383,506	220,604
Fringe benefits	717,408	44,028	49,045	810,481	761,566
Audit	7,380	820	-	8,200	8,200
Training	15,525	1,431	-	16,956	20,183
Travel	44,861	5,052	612	50,525	51,978
Board expenses	1,570	177	23	1,770	1,988
Occupancy	270,787	30,426	3,043	304,256	305,102
Insurance	19,816	2,227	223	22,266	22,179
Consumables	30,167	3,402	451	34,020	40,772
Postage	8,897	1,019	102	10,018	18,798
Reproduction	14,848	1,856	1,856	18,560	42,754
Communication	72,874	8,188	819	81,881	76,523
Office dues	16,488	1,832	-	18,320	22,851
Other expenses	18,218	2,024	-	20,242	11,298
Litigation	63,792	-	-	63,792	24,206
Equipment rental and repair	154,098	17,122	-	171,220	133,996
Consultant fees	11,116	1,235	-	12,351	24,899
Library expense	37,340	2,451	-	39,791	38,387
Fundraising	-	-	115,389	115,389	82,393
Recruiting	4,925	1,651	-	6,576	2,915
Interest expense	18,139	2,015	-	20,154	16,194
Technologies upgrades	8,921	4,511	-	13,432	4,553
Subgrants	-	-	-	-	58,000
Donated services and equipment	3,630,734	-	-	3,630,734	4,500,695
Depreciation	110,803	5,832	-	116,635	87,028
	<u>\$ 7,193,122</u>	<u>\$ 253,162</u>	<u>\$ 300,628</u>	<u>\$ 7,746,912</u>	<u>\$ 8,483,441</u>

See notes to financial statements.

Legal Aid Justice Center

-6-

Statement of Cash Flows

For the Year Ended June 30, 2014

(with comparative totals for the year ended June 30, 2013)

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities		
Change in net assets	\$ (520,594)	\$ (358,705)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used by) operating activities		
Depreciation	116,635	87,028
(Increase) decrease in receivables	343,392	214,350
(Increase) decrease in prepaid expenses	(10,076)	(6,774)
Increase (decrease) in accounts payable	(55,852)	123,767
Increase (decrease) in unearned revenue	(168,240)	(153,478)
Increase (decrease) in deposits payable	1,750	(36,000)
Increase (decrease) in accrued annual leave	(17,222)	(1,534)
Net cash provided by (used by) operations	<u>(310,207)</u>	<u>(131,346)</u>
Cash flows used in investing activities		
Additions to property and equipment	<u>-</u>	<u>(233,444)</u>
Net cash provided by (used by) investing activities	<u>-</u>	<u>(233,444)</u>
Cash flows used in financing activities		
Principle payments on note payable	(37,399)	(30,365)
Payments on line of credit	(51,172)	-
Loan from line of credit	<u>250,000</u>	<u>-</u>
Net cash provided by (used by) financing activities	<u>161,429</u>	<u>(30,365)</u>
Net increase (decrease) in cash and cash equivalents	(148,778)	(395,155)
Cash and cash equivalents, beginning of year	<u>271,628</u>	<u>666,783</u>
Cash and cash equivalents, end of year	\$ <u><u>122,850</u></u>	\$ <u><u>271,628</u></u>

See notes to financial statements.

Notes to Financial Statements

June 30, 2014

Note 1 - Summary of significant accounting policies

Nature of activities

Legal Aid Justice Center (LAJC) is a non-profit corporation organized for the purpose of providing legal assistance in non-criminal proceedings or matters to persons financially unable to afford legal assistance in Virginia.

Promises to give

Contributions are recognized when the donor makes a promise to give to the Corporation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Corporation uses the allowance method to determine uncollectible unconditional contributions receivable. Historically, there have not been significant differences between the amounts allocated and collected. Accordingly, no provision has been made for uncollectible amounts.

Basis of presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles of the United States. Under generally accepted accounting principles, Legal Aid Justice Center is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. At the present time, the Corporation does not have any permanently restricted net assets.

Estimates

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

Cash equivalents

For purposes of the statement of cash flows, Legal Aid Justice Center considers highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude restricted cash and cash equivalents.

Notes to Financial Statements

June 30, 2014

Note 1 - Summary of significant accounting policies (continued)

Grant contract support

Legal Aid Justice Center recognizes grant funds as awarded.

Donated services

Legal Aid Justice Center recognizes donated services as support. Donated services, in conjunction with private attorney involvement, represent delivery of free legal assistance to eligible clients. A matching expense is also recorded. The value of the donated services is recorded at market value as determined by the Board of Directors each year. Other attorney's services were valued at the amount certified to the State under the Neighborhood Assistance Act program in the current year. Other in-kind contributions are recorded when received at fair value as income and expense.

Property and equipment

Building, land and equipment are stated at cost, if purchased, and at fair value at date of receipt, if donated. Expenditures for acquisition, renewals and betterments greater than \$5,000 are capitalized, whereas maintenance and repair costs are charged to expense as incurred. When properties are retired or otherwise disposed of, the appropriate accounts are relieved of costs and accumulated depreciation and any resultant gain or loss is recorded in the statement of activities.

Depreciation of property and equipment is provided using the straight-line method over the estimated useful lives of the related assets. Useful lives range from 3 to 10 years for furniture, fixtures and equipment, 5 years for leasehold improvements, and 5 years for the law libraries. The building will be depreciated over a period of 30 years.

Allocation of expenses

The costs of providing programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated between the program and supporting services benefitted.

Income taxes

Legal Aid Justice Center is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Legal Aid Justice Center is also exempt from Virginia income taxes and, therefore, has made no provision for federal or Virginia income taxes. In addition, the Internal Revenue Service has determined that Legal Aid Justice Center is not a "private foundation" within the meaning of Section 509(a) of the Code.

Legal Aid Justice Center

-9-

Notes to Financial Statements

June 30, 2014

Note 2 - Property and equipment

A summary of property and equipment follows:

	June 30, 2014		June 30, 2013	
	Cost or Value	Accumulated Depreciation	Cost or Value	Accumulated Depreciation
Property and equipment purchased	\$ 527 908	\$ 334 770	\$ 527 908	\$ 298 359
Property and equipment donated	9 627	9 627	9 627	9 627
Land	100 000	-	100 000	-
Buildings	2 325 599	859 985	2 325 599	779 761
Law library, purchased	24 824	24 824	24 824	24 824
Law library, donated	<u>13 085</u>	<u>13 085</u>	<u>13 085</u>	<u>13 085</u>
	\$ <u>3 001 043</u>	\$ <u>1 242 291</u>	\$ <u>3 001 043</u>	\$ <u>1 125 656</u>

Depreciation expense for the current year was \$116,635

Note 3 - Lease commitments

Legal Aid Justice Center has three leases for offices located in Petersburg, Falls Church and Richmond, Virginia. Rent expense for all three offices totaled \$210,558 for 2014. The Falls Church office has a five year lease through October 2019 at a current base rent of \$7,045 per month, with a 3% annual rate increase. The Richmond office has a one year lease through October 31, 2015 at a base rent of \$7,726 per month with a 2.5% annual increase and allows for one year extensions. Future lease payments are as follows:

2015	\$ 31 703
2016	86 443
2017	89 029
2018	91 706
2019	94 461
2020	<u>23 788</u>
	\$ <u>417 130</u>

Note 4 - Concentration of funding

Funding received through general purpose contracts from the Legal Services Corporation of Virginia as well as through a contract with the Central Virginia Legal Aid Society, Inc total 41% of the total funding received by LAJC. The grant and contract activity are summarized as follows for the year ended June 30, 2014:

Legal Services Corporation of Virginia	
Central Virginia Legal Aid Society, Inc.	\$ 600 274
State revenue and IOLTA	<u>865 632</u>
Total Legal Services Corp. of Virginia	\$ <u>1 465 906</u>

Notes to Financial Statements

June 30, 2014

Note 5 - Temporarily restricted net assets

Temporarily restricted net assets with purpose restrictions consist of various restricted contributions totaling \$250,000. Net assets released in the current year from donor restrictions by satisfying the time restrictions totaled \$269,500 and were released from the United Way contributions and other revenue.

Note 6 - Pension plan

Legal Aid Justice Center has a pension plan which qualifies under Section 403(b) of the Internal Revenue Code, in which employees may elect to have amounts withheld from their salaries and invested in tax deferred annuities. There were no contributions to the plan in 2014. Legal Aid Justice Center shall determine, in its sole discretion, the amount of employer contribution to be made to the plan.

Note 7 - Concentration of credit risk

Financial instruments which potentially subject the Corporation to concentration of credit risk consist principally of cash and unsecured receivables. Cash accounts are maintained in several financial institutions in Central Virginia. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. During the year the balance exceeds the insured amount, but management believes there is no significant credit risk for receivables because of close monitoring.

Note 8 - Donated services and property

Legal Aid Justice Center received the following donated services for the year ended June 30, 2014:

Attorney services (\$400 per hour)	\$	2 315 100
Support services (\$13 - \$250 per hour)		103 158
Law interns, paralegal - volunteer (\$75 per hour)		<u>1 212 476</u>
	\$	<u><u>3 630 734</u></u>

Note 9 - Comparative amounts

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Corporation's financial statements for the year ended June 30, 2013, from which the summarized information was derived.

Note 10 - Other accounts receivables

Other accounts receivable consist of the following at June 30:

	<u>2014</u>	<u>2013</u>
Other	4 611	5 280
Miscellaneous grant funding	<u>73 086</u>	<u>146 309</u>
	<u>\$ 77 697</u>	<u>\$ 151 589</u>

Notes to Financial Statements

June 30, 2014

Note 11 - Subsequent events

In preparing these financial statements, the Corporation has evaluated events and transactions for potential recognition or disclosure through November 20, 2014 the date the financial statements were issued.

Note 12 - Note payable

Legal Aid Justice Center has a permanent loan for \$944,464 at a current interest rate of 3.12% for five years for the purchase and renovation of a building. The balance due as of June 30, 2014 was \$480,198 and as of June 30, 2013 was \$517,597. The bank will hold first deed of trust on the building as collateral. Interest expense totaled \$16,194 for the current year.

2015	\$	31 803
2016		32 773
2017		<u>415 622</u>
	\$	<u>480 198</u>

Note 13 - Fair value measurements

Legal Aid Justice Center records fair value adjustments to certain assets and liabilities and to determine fair value disclosures. The fair value of certain assets and liabilities is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Three levels of the fair value hierarchy are as follows:

Level 1 - Valuation is based on quoted prices in active markets for identical assets and liabilities.

Level 2 - Valuation is based on observable inputs including quoted prices in active markets for similar assets and liabilities, quoted prices for identical or similar assets and liabilities in less active markets, and model-based valuation techniques for which significant assumptions can be derived primarily from or corroborated by observable data in the market.

Level 3 - Valuation is based on model-based techniques that use one or more significant inputs or assumptions that are unobservable in the market.

The note payable and line of credit were measured at fair value by level one valuation.

Note 14 - Line of Credit

Legal Aid Justice Center maintains a \$350,000 secured bank line of credit dated February 15, 2014. The line has a one-year term, provisions for annual extensions, and includes a due on demand feature. The line currently matures on May 15, 2015. Interest, at the Bank's Prime Rate less .250% (4.0% at June 30, 2014), is payable monthly. The building is held as security on the line of credit. The balance due at year end totaled \$198,828.

Note 15 - Restricted Funding

Legal Aid Justice Center receives purpose restricted funding from Legal Services Corporation of Virginia (LSCV). LSCV funding is used in the Civil Advocacy Program which provides housing, consumer, employment and public benefits assistance. No other programs are funded by LSCV.

Statement of Support, Revenue, Expenses and Changes in Net Assets
 For the Year Ended June 30, 2014
 (with summarized totals for the year ended June 30, 2013)

	Unrestricted									
	Legal Services Corp. of Virginia				General Funding	Property and Equipment	Total Unrestricted	Temporarily Restricted	Total 2014	Total 2013
	IOLTA	Grant	CVLAS Subgrant	Total						
Support and revenue										
Grants and contracts	\$ 84,872	\$ 780,760	\$ 600,274	\$ 1,465,906	\$ 678,132	\$ -	\$ 2,144,038	\$ -	\$ 2,144,038	\$ 2,674,205
Local funding	-	-	-	-	649,676	-	649,676	-	649,676	650,301
Interest	-	-	-	-	-	-	-	-	-	584
Donated services and equipment	-	-	-	-	3,630,734	-	3,630,734	-	3,630,734	4,500,695
Other	-	-	-	-	801,870	-	801,870	-	801,870	298,951
Net assets released from restrictions:										
Expiration of time or purpose restrictions	-	-	-	-	269,500	-	269,500	(269,500)	-	-
Total support and revenue	<u>84,872</u>	<u>780,760</u>	<u>600,274</u>	<u>1,465,906</u>	<u>6,029,912</u>	<u>-</u>	<u>7,495,818</u>	<u>(269,500)</u>	<u>7,226,318</u>	<u>8,124,736</u>
Expenses										
Attorney salaries	37,631	349,246	261,941	648,818	721,798	-	1,370,616	-	1,370,616	1,404,839
Non-attorney legal salaries	7,894	64,024	36,792	108,710	296,511	-	405,221	-	405,221	500,540
Other professional salaries	3,603	43,472	20,020	67,095	316,411	-	383,506	-	383,506	220,604
Fringe benefits	18,351	165,404	126,087	309,842	500,639	-	810,481	-	810,481	761,566
Audit	217	1,834	1,302	3,353	4,847	-	8,200	-	8,200	8,200
Training	294	2,639	1,800	4,733	12,223	-	16,956	-	16,956	20,183
Travel	582	5,129	3,515	9,226	41,299	-	50,525	-	50,525	51,978
Board expenses	26	228	157	411	1,359	-	1,770	-	1,770	1,988
Occupancy	5,181	50,584	82,043	137,808	166,448	-	304,256	-	304,256	305,102
Insurance	499	4,547	2,964	8,010	14,256	-	22,266	-	22,266	22,179
Consumables	1,574	10,482	7,423	19,479	14,541	-	34,020	-	34,020	40,772
Postage	133	1,182	1,066	2,381	7,637	-	10,018	-	10,018	18,798
Reproduction	303	2,692	1,827	4,822	13,738	-	18,560	-	18,560	42,754
Communication	1,845	16,192	11,098	29,135	52,746	-	81,881	-	81,881	76,523
Office dues	297	2,603	1,815	4,715	13,605	-	18,320	-	18,320	22,851
Other expenses	288	2,563	1,703	4,554	15,688	-	20,242	-	20,242	11,298
Litigation	309	3,125	1,824	5,258	58,534	-	63,792	-	63,792	24,206
Equipment rental and repair	2,747	24,700	16,124	43,571	127,649	-	171,220	-	171,220	133,996
Consultant fees	160	1,442	954	2,556	9,795	-	12,351	-	12,351	24,899
Library expense	-	3,339	2,269	5,608	34,183	-	39,791	-	39,791	38,387
Fundraising	2,084	18,432	12,749	33,265	82,124	-	115,389	-	115,389	82,393
Recruiting	161	1,446	996	2,603	3,973	-	6,576	-	6,576	2,915
Interest expense	290	2,500	1,790	4,580	15,574	-	20,154	-	20,154	16,194
Technologies Upgrades	403	2,955	2,015	5,373	8,059	-	13,432	-	13,432	4,553
Subgrants	-	-	-	-	-	-	-	-	-	58,000
Donated services and equipment	-	-	-	-	3,630,734	-	3,630,734	-	3,630,734	4,500,695
Depreciation	-	-	-	-	-	116,635	116,635	-	116,635	87,028
Total expenses	<u>84,872</u>	<u>780,760</u>	<u>600,274</u>	<u>1,465,906</u>	<u>6,164,371</u>	<u>116,635</u>	<u>7,746,912</u>	<u>-</u>	<u>7,746,912</u>	<u>8,483,441</u>
Change in net assets	-	-	-	-	(134,459)	(116,635)	(251,094)	(269,500)	(520,594)	(358,705)
Net assets at beginning of year	-	-	-	-	(39,688)	1,357,790	1,318,102	519,500	1,837,602	2,196,307
Acquisition of property	-	-	-	-	-	-	-	-	-	-
Principle payment on note payable	-	-	-	-	(37,399)	37,399	-	-	-	-
Net assets at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (211,546)</u>	<u>\$ 1,278,554</u>	<u>\$ 1,067,008</u>	<u>\$ 250,000</u>	<u>\$ 1,317,008</u>	<u>\$ 1,837,602</u>