

LEGAL AID JUSTICE CENTER

**Financial Statement
and
Accompanying Information
for the year ended
June 30, 2017**

**(With comparative financial information
as of June 30, 2016)**

LEGAL AID JUSTICE CENTER

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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, 2017, 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, 2017, 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 2016 financial statements, and our report dated July 22, 2016, 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, 2017, 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
July 27, 2017

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Legal Aid Justice Center

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Statement of Financial Position

June 30, 2017

(with comparative totals for the year ended June 30, 2016)

Assets	2017	2016
Current assets		
Cash and cash equivalents	\$ 779,118	\$ 606,758
Investments	1,528,466	1,500,005
Cash in escrow, client deposits	32,997	45,052
Other receivables	388,762	267,892
Prepaid expenses	81,848	67,202
Deposits	19,186	15,616
Total current assets	<u>2,830,377</u>	<u>2,502,525</u>
Property and equipment		
Furniture, improvements and property, net	<u>1,615,728</u>	<u>1,549,955</u>
Total assets	<u>\$ 4,446,105</u>	<u>\$ 4,052,480</u>
Liabilities and net assets		
Current liabilities		
Accounts payable	\$ 133,130	\$ 93,290
Accrued annual leave	116,114	97,622
Note payable - short term	33,421	34,005
Client deposits	32,997	45,052
Unearned revenue	1,437,918	1,278,882
Deposits payable	6,417	4,697
Total current liabilities	<u>1,759,997</u>	<u>1,553,548</u>
Note Payable	<u>346,835</u>	<u>379,962</u>
Total liabilities	<u>2,106,832</u>	<u>1,933,510</u>
Commitments		
Net assets		
Unrestricted		
General	1,103,801	982,982
Property and equipment	<u>1,235,472</u>	<u>1,135,988</u>
Total unrestricted	<u>2,339,273</u>	<u>2,118,970</u>
Temporarily restricted	<u>-</u>	<u>-</u>
Total net assets	<u>2,339,273</u>	<u>2,118,970</u>
Total liabilities and net assets	<u>\$ 4,446,105</u>	<u>\$ 4,052,480</u>

See notes to financial statements.

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Statement of Activities

For the Year Ended June 30, 2017

(with summarized totals for the year ended June 30, 2016)

	Unrestricted	Temporarily Restricted	2017 Total	2016 Total
Support and revenue				
Grants and contracts	\$ 3,234,949	\$ -	\$ 3,234,949	\$ 3,435,127
Local funding	677,206	-	677,206	641,824
Investment income	32,248	-	32,248	275
Donated services	3,911,651	-	3,911,651	3,062,094
Contributions	819,652	-	819,652	136,712
Attorney fees	71,166	-	71,166	812,747
Other income	189,769	-	189,769	64,630
	<u>8,936,641</u>	<u>-</u>	<u>8,936,641</u>	<u>8,153,409</u>
Net assets released from restrictions				
Expiration of time or purpose restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>8,936,641</u>	<u>-</u>	<u>8,936,641</u>	<u>8,153,409</u>
Expenses				
Program services				
Legal assistance	8,061,919	-	8,061,919	7,080,281
Supporting services				
Management and general	351,949	-	351,949	301,074
Fund-raising expenses	302,470	-	302,470	285,156
	<u>8,716,338</u>	<u>-</u>	<u>8,716,338</u>	<u>7,666,511</u>
Total expenses	<u>8,716,338</u>	<u>-</u>	<u>8,716,338</u>	<u>7,666,511</u>
Change in net assets	220,303	-	220,303	486,898
Net assets at beginning of year	<u>2,118,970</u>	<u>-</u>	<u>2,118,970</u>	<u>1,632,072</u>
Net assets at end of year	<u>\$ 2,339,273</u>	<u>\$ -</u>	<u>\$ 2,339,273</u>	<u>\$ 2,118,970</u>

See notes to financial statements.

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Statement of Functional Expenses

June 30, 2017

(with summarized totals for the year ended June 30, 2016)

	Program Services	Supporting Services	Fundraising Expense	2017 Total Expenses	2016 Total Expenses
Attorney salaries	\$ 1,546,219	\$ 85,116	\$ 18,551	\$ 1,649,886	\$ 1,405,750
Fringe benefits	743,339	69,559	46,565	859,463	826,660
Other professional salaries	706,245	125,668	122,554	954,467	1,017,823
Audit	7,370	830	-	8,200	8,200
Board expenses	890	20	-	910	2,112
Communication	80,643	1,855	1,202	83,700	105,787
Consultant fees	92,267	15,225	-	107,492	97,536
Consumables	25,190	1,857	1,658	28,705	27,921
Donated services and equipment	3,911,651	-	-	3,911,651	3,062,094
Equipment rental and repair	156,967	9,578	-	166,545	228,739
Fundraising	-	-	105,972	105,972	104,056
Insurance	24,484	1,500	22	26,006	24,528
Interest expense	12,214	810	-	13,024	14,093
Library expense	21,586	1,251	-	22,837	21,539
Litigation	29,167	-	-	29,167	40,637
Occupancy	290,997	16,889	3,219	311,105	291,468
Office dues	17,654	-	-	17,654	21,756
Other expenses	44,652	3,588	-	48,240	95,420
Postage	8,380	558	882	9,820	9,450
Recruiting	3,733	410	-	4,143	943
Reproduction	5,079	668	158	5,905	12,636
Subgrants	74,236	-	-	74,236	22,500
Technologies upgrades	34,748	6,512	-	41,260	5,263
Training	53,643	221	-	53,864	35,609
Travel	59,365	3,320	1,687	64,372	64,739
Depreciation	111,200	6,514	-	117,714	119,252
	<u>\$ 8,061,919</u>	<u>\$ 351,949</u>	<u>\$ 302,470</u>	<u>\$ 8,716,338</u>	<u>\$ 7,666,511</u>

See notes to financial statements.

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Statement of Cash Flows

For the Year Ended June 30, 2017

(with comparative totals for the year ended June 30, 2016)

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
Change in net assets	\$ 220,303	\$ 486,894
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used by) operating activities		
Loss on disposal of assets	-	63,960
Depreciation	117,714	119,252
(Increase) decrease in receivables	(120,871)	(88,718)
(Increase) decrease in prepaid expenses	(14,646)	(2,879)
(Increase) decrease in deposits	(3,570)	(2,070)
Increase (decrease) in accounts payable	39,834	46,535
Increase (decrease) in unearned revenue	159,035	947,620
Increase (decrease) in deposits payable	1,720	-
Increase (decrease) in accrued annual leave	18,500	(59,552)
Net cash provided by (used by) operations	<u>418,019</u>	<u>1,511,042</u>
Cash flows used in investing activities		
Additions to property and equipment	(183,487)	(55,236)
Additions to investments	(28,461)	(1,500,005)
Net cash provided by (used by) investing activities	<u>(211,948)</u>	<u>(1,555,241)</u>
Cash flows used in financing activities		
Principle payments on note payable	(33,711)	(33,044)
Loan from line of credit	-	-
Net cash provided by (used by) financing activities	<u>(33,711)</u>	<u>(33,044)</u>
Net increase (decrease) in cash and cash equivalents	172,360	(77,243)
Cash and cash equivalents, beginning of year	<u>606,758</u>	<u>684,001</u>
Cash and cash equivalents, end of year	\$ <u><u>779,118</u></u>	\$ <u><u>606,758</u></u>
Supplemental disclosure of cash flows information		
Cash paid during the year for interest	\$ <u><u>13,024</u></u>	\$ <u><u>14,093</u></u>

See notes to financial statements.

Legal Aid Justice Center

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Notes to Financial Statements June 30, 2017

Note 1 - Nature of activities and 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.

Investments

Investments held in 2016 were certificate of deposits for three months and have readily determinable fair values and all investments are reported at their fair values which also approximate cost. The value of investments was \$1,513,504 for 2016. The certificate of deposits have an interest rate of 0.400% to .450%, and matured in August 2016.

Grant contract support

Legal Aid Justice Center recognizes grant funds as awarded.

(continued)

Legal Aid Justice Center

Notes to Financial Statements June 30, 2017

Note 1 - Summary of significant accounting policies (continued)

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.

Note 2 - Investments

The aggregate fair value, gross unrealized holding gains, gross unrealized holding losses, and amortized cost for available-for-sale investments at June 30, 2017 are as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Mutual funds	\$ 506 564	\$ 8 469	\$ -	\$ 515 033
ETF Bond Fund	<u>1 006 791</u>	<u>6 642</u>	<u>-</u>	<u>1 013 433</u>
	<u>\$ 1 513 355</u>	<u>\$ 15 111</u>	<u>\$ -</u>	<u>\$1 528 466</u>

Unrealized gains totaled \$15,111 for the current year.

Legal Aid Justice Center

Notes to Financial Statements June 30, 2017

Note 3 - Property and equipment

A summary of property and equipment follows:

	June 30, 2017		June 30, 2016	
	Cost or Value	Accumulated Depreciation	Cost or Value	Accumulated Depreciation
Property and equipment purchased	\$ 650 369	\$ 400 886	\$ 496 208	\$ 369 280
Property and equipment donated	9 627	9 627	9 627	9 627
Land	100 000	-	100 000	-
Buildings	2 383 125	1 116 880	2 353 799	1 030 772
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>3 181 030</u>	\$ <u>1 565 302</u>	\$ <u>2 997 543</u>	\$ <u>1 447 588</u>

Depreciation expense for the current year was \$117,714.

Note 4 - Lease commitments

Legal Aid Justice Center has leases for offices located in Falls Church and Richmond, Virginia. Rent expense for all the offices totaled \$204,824 for 2017. The Falls Church office has a five year lease through September 30, 2023 at a current base rent of \$2,800 per month, with a 5% annual rate increase. The Richmond office has a three year lease through October 31, 2019 at a base rent of \$8,118 per month with a 2.5% annual increase and allows for two one year extensions. Future lease payments are as follows:

2018	\$	130 911
2019		139 328
2020		72 011
2021		38 896
2022		40 841
2023		<u>5 360</u>
	\$	<u>427 347</u>

Note 5 - Concentration of funding

Funding received through general purpose contracts from the Legal Services Corporation of Virginia total 33% and sub-grants received from Virginia Poverty Law Center total 10% of the total funding received by LAJC.

Legal Aid Justice Center

Notes to Financial Statements June 30, 2017

Note 6 - Temporarily restricted net assets

There are no temporarily restricted net assets as of the current year.

Note 7 - 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. Contributions to the plan totaled \$86,213 in 2017. Legal Aid Justice Center shall determine, in its sole discretion, the amount of employer contribution to be made to the plan.

Note 8 - 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 9 - Donated services and property

Legal Aid Justice Center received the following donated services for the year ended June 30, 2017:

Attorney services (\$250 per hour)	\$	2 686 937
Law interns, paralegal - volunteer (\$75 per hour)		<u>1 224 714</u>
	\$	<u><u>3 911 651</u></u>

Note 10 - 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, 2016, from which the summarized information was derived.

Note 11 - Other accounts receivables

Other accounts receivable consist of the following at June 30:

	<u>2017</u>	<u>2016</u>
Other	4 290	2 522
Miscellaneous grant funding	<u>384 472</u>	<u>265 370</u>
	<u><u>\$ 388 762</u></u>	<u><u>\$ 267 892</u></u>

Legal Aid Justice Center

Notes to Financial Statements June 30, 2017

Note 12 - Subsequent events

In preparing these financial statements, the Corporation has evaluated events and transactions for potential recognition or disclosure through July 27, 2017 the date the financial statements were issued.

Note 13 - Note payable

Legal Aid Justice Center has a permanent loan for \$944,464 at a current interest rate of 3.6% for five years for the purchase and renovation of a building. The balance due as of June 30, 2017 was \$380,256 and as of June 30, 2016 was \$413,967. The bank will hold first deed of trust on the building as collateral. Interest expense totaled \$13,024 for the current year.

2018	\$	33 421
2019		34 662
2020		35 919
2021		37 281
2022		25 173
Balloon payment		<u>213 800</u>
	\$	<u><u>380 256</u></u>

Note 14 - 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 15 - Line of Credit

Legal Aid Justice Center maintains a \$350,000 secured bank line of credit dated February 15, 2015. 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, 2019. Interest, at the Bank's Prime Rate less .250% (4.0% at June 30, 2017), is payable monthly. The building is held as security on the line of credit. There was no balance due as of the end of the current or prior year.

Note 16 - Restricted Funding

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

Accompanying Information

Legal Aid Justice Center

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**Statement of Support, Revenue, Expenses and Changes in Net Assets
For the Year Ended June 30, 2017
(with summarized totals for the year ended June 30, 2016)**

	Unrestricted					Temporarily Restricted	Total 2017	Total 2016
	Legal Services	Virginia	Property		Total			
	Corporation of Virginia	Poverty Law Center	General Funding	and Equipment	Unrestricted			
Support and revenue								
Grants and contracts	\$ 1,660,658	\$ 505,063	\$ 1,069,228	\$ -	\$ 3,234,949	\$ -	\$ 3,234,949	\$ 3,270,128
Local funding	-	-	677,206	-	677,206	-	677,206	641,824
Investment income	-	-	32,248	-	32,248	-	32,248	275
Donated services and equipment	-	-	3,911,651	-	3,911,651	-	3,911,651	3,062,094
Other	-	-	1,080,587	-	1,080,587	-	1,080,587	1,179,088
Net assets released from restrictions:								
Expiration of time or purpose restrictions	-	-	-	-	-	-	-	-
Total support and revenue	<u>1,660,658</u>	<u>505,063</u>	<u>6,770,920</u>	<u>-</u>	<u>8,936,641</u>	<u>-</u>	<u>8,936,641</u>	<u>8,153,409</u>
Expenses								
Attorney salaries	701,229	-	948,657	-	1,649,886	-	1,649,886	1,405,750
Fringe benefits	311,413	157,514	390,536	-	859,463	-	859,463	826,660
Non-attorney legal salaries	242,447	463,654	248,366	-	954,467	-	954,467	1,017,823
Audit	4,211	-	3,989	-	8,200	-	8,200	8,200
Board expenses	-	-	910	-	910	-	910	2,112
Communication	40,115	-	43,585	-	83,700	-	83,700	105,787
Consultant fees	36,551	-	70,941	-	107,492	-	107,492	97,536
Consumables	11,554	212	16,939	-	28,705	-	28,705	27,921
Donated services and equipment	-	-	3,911,651	-	3,911,651	-	3,911,651	3,062,094
Equipment rental and repair	78,554	-	87,991	-	166,545	-	166,545	228,739
Fundraising	1,511	-	104,461	-	105,972	-	105,972	104,056
Insurance	9,455	-	16,551	-	26,006	-	26,006	24,528
Interest expense	-	-	13,024	-	13,024	-	13,024	14,093
Library expense	8,319	-	14,518	-	22,837	-	22,837	21,539
Litigation	15,695	-	13,472	-	29,167	-	29,167	40,637
Occupancy	112,572	-	198,533	-	311,105	-	311,105	291,468
Office dues	8,403	-	9,251	-	17,654	-	17,654	21,756
Other expenses	30,898	-	17,342	-	48,240	-	48,240	95,420
Postage	3,250	24	6,546	-	9,820	-	9,820	9,450
Recruiting	-	98	4,045	-	4,143	-	4,143	943
Reproduction	3,066	-	2,839	-	5,905	-	5,905	12,636
Subgrants	-	-	74,236	-	74,236	-	74,236	22,500
Technologies Upgrades	-	-	41,260	-	41,260	-	41,260	5,263
Training	22,151	-	31,713	-	53,864	-	53,864	35,609
Travel	19,004	3,615	41,753	-	64,372	-	64,372	64,739
Depreciation	-	-	-	117,714	117,714	-	117,714	119,252
Total expenses	<u>1,660,398</u>	<u>625,117</u>	<u>6,313,109</u>	<u>117,714</u>	<u>8,716,338</u>	<u>-</u>	<u>8,716,338</u>	<u>7,666,511</u>
Change in net assets	260	(120,054)	457,811	(117,714)	220,303	-	220,303	486,898
Net assets at beginning of year	2,037	120,054	860,891	1,135,988	2,118,970	-	2,118,970	1,632,072
Acquisition of property	-	-	(183,487)	183,487	-	-	-	-
Principle payment on note payable	-	-	(33,711)	33,711	-	-	-	-
Net assets at end of year	<u>\$ 2,297</u>	<u>\$ -</u>	<u>\$ 1,101,504</u>	<u>\$ 1,235,472</u>	<u>\$ 2,339,273</u>	<u>\$ -</u>	<u>\$ 2,339,273</u>	<u>\$ 2,118,970</u>