

**VIRGINIA HIGHLANDS COMMUNITY COLLEGE
EDUCATIONAL FOUNDATION, INC.**

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED JUNE 30, 2018**

**VIRGINIA HIGHLANDS COMMUNITY COLLEGE
EDUCATIONAL FOUNDATION, INC.**

**Financial Statements
And Independent Auditors' Report**

FOR THE YEAR ENDED JUNE 30, 2018

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KEEN, PROFFITT & CO., P.C.
Certified Public Accountants
468 East Main Street, Suite 317A
Abingdon, VA 24210

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Virginia Highlands Community College
Educational Foundation, Inc.
Abingdon, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of the Virginia Highlands Community College Educational Foundation, Inc. (the "Foundation") (a nonprofit organization) which comprise the statement of financial position as of June 30, 2018, and 2017, 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.

Auditors' 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 auditors consider 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 the Virginia Highlands Community College Educational Foundation, Inc. as of June 30, 2018, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Keen, Proffitt & Co., P.C.
Keen, Proffitt & Co., P.C.
Abingdon, Virginia
January 31, 2019

**Virginia Highlands Community College
Educational Foundation, Inc.
Statement of Financial Position
June 30, 2018
(with comparative totals for 2017)**

Assets	2018	2017
Current Assets		
Cash and cash equivalents	\$ 488,019	\$ 477,915
Unconditional promises to give, net of allowance	-	470,997
Other receivables	-	-
Total Current Assets	488,019	948,912
Long Term Assets		
Property and equipment, net of accumulated depreciation	501,075	53,287
Works of art	51,750	51,750
Total long term assets	552,825	105,037
Other assets		
Investments	3,994,778	1,132,991
Restricted cash	-	1,817
Total other assets	3,994,778	1,134,808
Total assets	\$ 5,035,622	\$ 2,188,757
Liabilities and Net Assets		
Current liabilities		
Accounts Payable	\$ 340,000	\$ 450,000
Total Current Liabilities	340,000	450,000
Net assets		
Unrestricted	164,149	156,137
Temporarily Restricted	842,531	1,129,454
Permanently Restricted	3,688,942	453,166
Total net assets	4,695,622	1,738,757
Total liabilities and net assets	\$ 5,035,622	\$ 2,188,757

The accompanying notes are an integral part of these financial statements.

**Virginia Highlands Community College
Educational Foundation, Inc.
Statement of Activities
June 30, 2018
(with comparative totals for 2017)**

	2018			2017	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Totals
Revenue and other support:					
Cash contributions	\$ 49,871	\$ 282,986	\$ 3,137,500	\$ 3,470,357	\$ 241,194
Grant Income	-	450,000	-	450,000	461,438
Non cash contributions	129,909	17,747	78,219	225,875	225,376
Investment income	616	4,251	20,057	24,924	15,187
Realized/Unrealized Gain (loss) on Investments	60	104,635	-	104,695	36,171
Fundraising income	30,621	-	-	30,621	21,705
Net Assets Released From Restrictions	1,210,836	(1,210,836)	-	-	-
Other	-	64,294	-	64,294	111,434
Total revenue and support	<u>1,421,913</u>	<u>(286,923)</u>	<u>3,235,776</u>	<u>4,370,766</u>	<u>1,112,505</u>
Total revenue and support and reclassifications	<u>1,421,913</u>	<u>(286,923)</u>	<u>3,235,776</u>	<u>4,370,766</u>	<u>1,112,505</u>
Expenses:					
Program Expenses	1,102,469	-	-	1,102,469	744,314
Management and general expense	183,296	-	-	183,296	230,764
Fundraising Expense	128,135	-	-	128,135	103,221
Total Expenses	<u>1,413,901</u>	<u>-</u>	<u>-</u>	<u>1,413,901</u>	<u>1,078,299</u>
Change in net assets from operating activities	<u>8,012</u>	<u>(286,923)</u>	<u>3,235,776</u>	<u>2,956,865</u>	<u>34,206</u>
Change in net assets	8,012	(286,923)	3,235,776	2,956,865	34,206
Net assets beginning of year	156,137	1,129,454	453,166	1,738,757	1,704,551
Net assets-end of year	<u>\$ 164,149</u>	<u>\$ 842,531</u>	<u>\$ 3,688,942</u>	<u>\$ 4,695,622</u>	<u>\$ 1,738,757</u>

The accompanying notes are an integral part of these financial statements.

Virginia Highlands Community College
Educational Foundation, Inc.
Statement of Cash Flows
June 30, 2018
(with comparative totals for 2017)

	<u>2018</u>	<u>2017</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 2,956,865	\$ 34,206
Adjustments to reconcile change in net assets to net cash provided (used) by operations		
Stock gift	-	(24,376)
Contributions restricted for long-term purposes	(3,137,500)	-
Depreciation and Amortization	12,212	12,302
Net unrealized loss (gain) on investments	(104,695)	(36,171)
(Increase) decrease in operating assets		
Promises to give	470,997	(233,421)
Other receivable	-	(1,550)
Restricted cash	1,817	(6)
Increase (decrease) in operating liabilities		
Accounts payable	(110,000)	242,658
Net cash provided (used) by operating activities	<u>89,697</u>	<u>(6,358)</u>
Cash Flows From Investing Activities:		
Acquisition of short-term investments	(1,374)	(1,979)
Net cash provided (used) by investing activities	<u>(1,374)</u>	<u>(1,979)</u>
Cash Flows From Financing Activities:		
Contribution restricted for long-term purposes	(78,219)	-
Net cash provided (used) by financing activities	<u>(78,219)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	10,104	(8,337)
Cash and cash equivalents, beginning of year	477,915	486,252
Cash and cash equivalents, end of year	<u>\$ 488,019</u>	<u>\$ 477,915</u>
Supplemental Disclosures		
Noncash investing and financing transaction:		
Acquisition of real estate from endowment funds	\$ 382,908	\$ -
Acquisition of real estate from in-kind contribution	<u>78,219</u>	<u>-</u>
Total	<u>\$ 461,127</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

**Virginia Highlands Community College
Educational Foundation, Inc.
Notes to Financial Statements
June 30, 2018**

Note 1: Nature of the Organization

Educational Foundations have been established by every community college in Virginia at the suggestions of the Chancellor and the State Board for Virginia Community College System. The purpose of the foundation is to help individual Community Colleges raise funds for student aid and support for the College. The Virginia Highlands Community College Educational Foundation, Inc. (the “Foundation”) was established on March 26, 1981 to fulfill this purpose. The foundation is a non-stock Virginia corporation.

Note 2: Significant Accounting Policies

Basis of Presentation

The Foundation prepares its financial statements in accordance with U.S. generally accepted accounting principles applicable to non-profit organizations. The Foundations reports information regarding its financial position and activities according to three classes of net assets as follows:

Unrestricted net assets include designated and undesignated resources available to support the Foundation’s activities.

Temporarily restricted net assets include donor time and purpose restricted resources that will become available for support of the Foundation’s activities once the restrictions are satisfied.

Permanently restricted net assets include those resources of the Foundation that are permanently restricted by donors for a specific purpose.

Unrestricted and Restricted Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor- restricted support is reported as an increase in temporarily restricted or permanently restricted net assets, depending on the nature of the restriction. When a restriction is satisfied (that is, when the stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Virginia Highlands Community College
Educational Foundation, Inc.
Notes to Financial Statements
June 30, 2018

Income Tax Status

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(iv) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

Promises to Give

Unconditional promises up to five years are recognized as support in a period in which the promise is made. Conditional promises to give are recognized in the period which its conditions on which they depend on are substantially met. The Foundation estimates its allowance for the uncollectible accounts based on prior years' experience and management's analysis of possible non-collections.

Use of Estimates

The preparation of financial statements in conformity with the U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results may differ from these estimates and assumptions.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the value of investment securities will occur in the near term and those changes could materially affect amounts reported in the statements of financial position.

Functional Allocation of Expenses

The cost of providing the Foundation's various programs and supporting services have been summarized in a functional basis in the accompanying statements of activities. The functional expenses of the various programs and supporting services include those cost directly attributable to the specific program as well as an allocation of supporting service expenditures that, in the estimation of management, are indirectly attributable to the program.

Cash and Cash Equivalents

The Foundation considers all highly liquid investments with an initial maturity of three months or less to be cash equivalent. Cash and cash equivalents shown on the Statements of Financial Position and Cash Flows are limited to the cash available in the checking account, and certificates of deposit.

Virginia Highlands Community College
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Notes to Financial Statements
June 30, 2018

Donated Property, Equipment, Services and Facilities

Donations of property and equipment are recorded as support at their estimate fair value at the time of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Material donations of services requiring specific expertise are recorded as support at their estimated fair value at the date of the donation. No amounts have been reflected in the accompanying financial statements for other donated services inasmuch as no objective basis is available to value such services.

Advertising Cost

The Foundation expenses advertising and promotion cost as incurred.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair value market values in the statement of financial position. Net unrealized gains and realized gains or losses are reflected in the statement of activities. Net losses on investments held in donor-restricted endowment funds first reduce (a) net gains from funds earned in prior periods and held in temporarily restricted net assets and (b) temporarily restricted income earned by the investments in the donor-restricted endowment fund. For which the donor restrictions have not been met. Any losses in excess of those amounts are recorded as decreases in unrestricted net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restriction are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Gifts of investments are recorded at their fair market value at date of the gift. Purchases and sales of investments are recorded on the trade date.

Investment Pools

The Foundation maintains master investment accounts for its donor-restricted endowments and unrestricted contributions. Dividends, interest, and realized and unrealized gains and losses (net of fiduciary fees) from securities in the master investment accounts are allocated quarterly to individual accounts. These allocations are based on the relationship of the market values of the master investment accounts, as adjusted for additions to or deductions from those accounts.

**Virginia Highlands Community College
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Notes to Financial Statements
June 30, 2018**

Property and Equipment

Property and equipment is stated at cost at date of acquisition or fair market value at date of the gift less accumulated depreciation. Depreciation is computed on the straight-line basis over the estimated useful lives of 5-15 years with no salvage value for equipment. Expenditures for major renewals and betterments that extend useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Note 3: In-Kind Services

In-kind services are recognized as if the services (a) create or enhance non-financial assets, or (b) require special skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. Total In-Kind support was received by the Foundation from Virginia Highlands Community College as of June 30, 2018 was \$225,875.

Note 4: Net Assets

As of June 30, 2018 and 2017, net assets consist of the following:

	<u>2018</u>	<u>2017</u>
Unrestricted Net Assets		
Undesignated	\$164,149	\$ 157,137
Temporarily Restricted Net Assets		
Restricted for future use	-	-
Purpose restrictions	842,531	1,129,454
Total temporarily restricted net assets	<u>842,531</u>	<u>1,129,454</u>
Permanently Restricted Net Assets		
Restricted to endowment funds	<u>3,688,942</u>	<u>453,166</u>
Total Net Assets	<u><u>\$4,695,622</u></u>	<u><u>\$2,188,757</u></u>

**Virginia Highlands Community College
Educational Foundation, Inc.
Notes to Financial Statements
June 30, 2018**

Note 5: Net Assets Released From Restrictions

Restrictions were satisfied as follows:

	<u>2018</u>	<u>2017</u>
Purpose restriction accomplished		
Student financial aid, programs and projects	\$1,210,836	\$807,182
Total	<u>\$1,210,836</u>	<u>\$807,182</u>

Note 6: Property and Equipment

Property and equipment at year-end as follows:

	<u>2018</u>	<u>2017</u>
Beginning Balance	\$216,448	\$216,448
Additions	460,000	-
Retirements	-	-
Total Equipment	676,448	216,448
Accumulated Depreciation	(175,373)	(163,161)
Total Equipment Net of Accumulated Depreciation	<u>\$501,075</u>	<u>\$53,287</u>

Note 7: Promises to Give

There were no pledges from officers and directors for the years ended June 30, 2018 and June 30, 2017. The Unconditional Promises to Give were adjusted to what is considered collectible.

Unconditional Promises to Give are as follows:

	<u>2018</u>	<u>2017</u>
Receivable in less than one year	-	\$470,997
Other receivables	-	-
Less allowance for uncollectible	-	-
Net receivables due in less than one year	-	470,997
Receivable in one to five years	-	-
Less discounts to net present value	-	-
Net receivable due in one to five years	-	-
Total Unconditional Promises to Give	<u>-</u>	<u>\$470,997</u>

**Virginia Highlands Community College
Educational Foundation, Inc.
Notes to Financial Statements
June 30, 2018**

For the years ended June 30, 2018 and June 30, 2017 it was decided by the foundation that all receivables are deemed collectable and no discount rate was needed.

Note 8: Investments

Investments are stated at fair value with the net realized and unrealized gain or loss reflected as an increase or decrease in unrestricted and temporarily restricted net assets. Investments at June 30, 2018 and 2017 are summarized as follows:

	<u>2018</u>	<u>2017</u>
Money Market	\$ 3,342,872	\$ 170,835
Common and Preferred Stock	452,338	508,652
Corporate Bond	164,492	316,601
U.S. Government Bonds	---	14,220
Negotiable certificates of deposit	5,050	91,628
Open ended mutual funds	---	---
Municipal Bonds	<u>30,026</u>	<u>31,055</u>
Total	<u>\$ 3,994,778</u>	<u>\$ 1,132,991</u>

Note 9: Investments- Donor-Designated Endowments

The Foundation follows the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and its own governing documents. UPMIFA requires the historical dollar amount of a donor restricted fund to be preserved. In the absence of donor restrictions, the net appreciation on a donor-restricted endowment fund is spendable under UPMIFA. The Foundation's donors have placed restrictions on the use of the investment income or net appreciation resulting from the donor-restricted endowment funds.

The Board of Trustees, on the advice of legal counsel, has determined the majority of the contributions are subject to the terms of its governing documents. Certain contributions are received subject to other gift instruments, or are subject to specific agreements with the Foundation. Under the terms of the Foundation's governing documents, the Board of Trustees has the ability to distribute so much of the original principal of any trust or separate, devise, bequest, or fund as the Board in its sole discretion shall determine. As a result of the ability to distribute the original principal, all contributions are not classified as temporarily restricted or permanently restricted are classified as unrestricted net assets for financial statement purposes.

The Foundation has adopted investment and spending policies, approved by the board of trustees, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchase power of

**Virginia Highlands Community College
Educational Foundation, Inc.
Notes to Financial Statements
June 30, 2018**

these endowments over the long term. The Foundation's spending and investing policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes. The current long-term objective is to return 6%, net of investment fees. Actual returns in any given year may vary from this amount. To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places an emphasis on the following investments to achieve its long-term objectives within prudent risk parameters:

	<u>Minimum</u>	<u>Target</u>	<u>Maximum</u>	<u>Benchmark</u>
Equities	40%	50%	60%	S&P 500 Index
Fixed Income	30%	45%	55%	Lehman Intermediate Govt. Bd.
Cash Equivalent	5%	5%	30%	90-Day Treasury Bills

The spending policy calculates the amount of money manually distributed from the Foundation's various endowed funds, for grant making and administration. The current spending policy is to distribute an amount at least equal to 6% of a three year moving average of the fair value of the endowment funds. Accordingly over the long term, the Foundation expects its current spending policy to allow its endowment assets to grow at average rate of 6% annually. This is consistent with the Foundation's objective to maintain the purchasing power of endowment assets as well as to provide additional real growth through investment return.

Endowment Net Assets Composition by type of fund as of June 30, 2018 as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Net Endowment Assets
Donor-Restricted Endowment Funds	\$ 3,210,983	\$ 781,478	\$ 2,317	\$ 3,994,778
Unrestricted Donor-Advised Funds	-	-	-	-
Total Funds	\$ 3,210,983	\$ 781,478	\$ 2,317	\$ 3,994,778

**Virginia Highlands Community College
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Notes to Financial Statements
June 30, 2018**

Endowment Net Assets Composition by type of fund as of June 30, 2017 as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Net Endowment Assets
Donor-Restricted Endowment Funds	\$ 2,247	\$ 679,393	\$451,351	\$ 1,132,991
Unrestricted Donor-Advised Funds	-	-	-	-
Total Funds	\$ 2,247	\$ 679,393	\$451,351	\$ 1,132,991

Changes in Endowment Net Assets as of June 30, 2018 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Net Endowment Assets
Endowment Net Assets at Beginning of Year	\$ 2,247	\$ 679,393	\$ 451,351	\$ 1,132,991
Contributions	-	-	3,137,500	3,137,500
Investment Income	14	4,251	20,057	24,322
Net Appreciation	60	104,635	-	104,695
Expenditures	(13)	(21,809)	(382,908)	(404,730)
Endowment Net Assets at Year End	\$ 2,308	\$ 766,470	\$ 3,226,000	\$ 3,994,778

Changes in Endowment Net Assets as of June 30, 2017 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Net Endowment Assets
Endowment Net Assets at Beginning of Year	\$ 2,123	\$ 618,013	\$ 447,229	\$ 1,067,365
Contributions	-	24,376	-	24,376
Investment Income	36	10,569	4,122	14,726
Net Appreciation	121	36,046	-	36,167
Expenditures	(33)	(9,611)	-	(9,644)
Endowment Net Assets at Year End	\$ 2,247	\$ 679,393	\$ 451,351	\$ 1,132,991

Virginia Highlands Community College
Educational Foundation, Inc.
Notes to Financial Statements
June 30, 2018

Note 10: Concentrations of Credit Risk

The Foundation maintains its cash balances in several financial institutions located in Virginia. The balances in each financial institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Uninsured balances at June 30, 2018 and 2017 approximated \$448,959 and \$189,317 respectively.

Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the statement of financial position.

Note 11: Subsequent Events

The Foundation has evaluated all subsequent events through January 31, 2019, the date the financial statements were available to be issued.

Note 13: Fair Value Measurements

Assets and Liabilities recorded at fair value in the statement of financial position are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Level inputs are defined as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2: Observable inputs other than those included in Level 1, such as quoted market prices for similar assets or liabilities in active markets, or quoted market prices for identical assets or liabilities in inactive markets.

Level 3: Unobservable inputs reflecting management's own assumptions about the inputs used in pricing the asset or liability. Level 3 assets and liabilities included financial instruments whose value is determined using price models, discounted cash flow methodologies, or similar techniques, as well as instruments for which determination of fair value require significant management judgment or estimation.

**Virginia Highlands Community College
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Notes to Financial Statements
June 30, 2018**

Fair Values of assets and liabilities on a recurring basis at June 30, 2018 and 2017 are as follows:

2018	Fair Value	Level 1
Assets:		
Investments	\$ 3,994,778	\$ 3,994,778

2017	Fair Value	Level 1
Assets:		
Investments	\$1,132,991	\$1,132,991

Investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

Virginia Highlands Community College
Educational Foundation, Inc.
Statement of Functional Activities
June 30, 2018
(with comparative totals for 2017)

	2018			2017	
	Program Services	Management & General	Fund Raising	Total	Totals
Other expense					
Scholarship program expense	\$ 957,203	\$ -	\$ -	\$ 957,203	\$ 574,340
Faculty support	105,290	-	-	105,290	130,188
Other program expense	30,937	-	-	30,937	30,751
Special events	-	-	128,135	128,135	103,221
Accounting and legal fees	-	6,800	-	6,800	6,500
Advertising & marketing expense	245	-	-	245	803
Travel, Meeting and conferences	-	2,757	-	2,757	3,672
Office expense	2,175	-	-	2,175	1,683
Insurance expense D&O liability	-	806	-	806	1,047
Bank service charges	513	-	-	513	398
Investment management fees	-	21,822	-	21,822	9,644
Bad debts	-	13,246	-	13,246	-
Corporate renewal fees	-	1,850	-	1,850	2,750
Total Other Expense	<u>1,096,363</u>	<u>47,281</u>	<u>128,135</u>	<u>1,271,779</u>	<u>864,997</u>
Depreciation Expense	6,106	6,106	-	12,212	12,302
In-kind expenses					
Administrative support	<u>-</u>	<u>129,909</u>	<u>-</u>	<u>129,909</u>	<u>201,000</u>
Total Expense	<u>\$ 1,102,469</u>	<u>\$ 183,296</u>	<u>\$ 128,135</u>	<u>\$ 1,413,901</u>	<u>\$ 1,078,299</u>

The accompanying notes are an integral part of these financial statements.