

HOPEWORKS 'N CAMDEN, INC.
FINANCIAL STATEMENTS
FOR THE PERIOD JUNE 1, 2016
TO JUNE 30, 2017 AND
FOR THE YEAR ENDED MAY 31, 2016
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT

HOPEWORKS 'N CAMDEN, INC.

JUNE 1, 2016 TO JUNE 30, 2017 (THIRTEEN MONTHS)
AND MAY 31, 2016 (TWELVE MONTHS)

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Independent Auditor's Report

To: The Board of Trustees
Hopeworks 'N Camden, Inc.
Camden, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the ***Hopeworks 'N Camden*** (a New Jersey non-profit organization), which comprise the statements of financial position as of June 30, 2017 and May 31, 2016, the related statements of activities and cash flows for the thirteen month period and 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the 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 **Hopeworks 'N Camden** as of June 30, 2017 and May 31, 2016, and the changes in its net assets and its cash flows for the thirteen month period and year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses on pages 14 and 15 are presented for purposes of additional analysis and are 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.

Kenji, Bernard, Swartz & Co

Collingswood, NJ
October 5, 2017

HOPEWORKS 'N CAMDEN, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017 AND MAY 31, 2016

<u>ASSETS</u>	<u>2017</u>	<u>2016</u>
Current assets		
Cash	\$ 119,838	\$ 131,855
Grants receivable, net of long-term portion	226,912	90,076
Contributions receivable	33,843	10,953
Accounts receivable, net	64,566	100,234
Prepaid expenses	9,003	12,000
Total current assets	<u>454,162</u>	<u>345,118</u>
Investments, at market	<u>3,257,194</u>	<u>3,125,000</u>
Property and equipment, net	<u>535,966</u>	<u>543,899</u>
Other assets		
Invested scholarship fund	103,934	101,195
Grants receivable, long-term	36,500	47,000
Total other assets	<u>140,434</u>	<u>148,195</u>
Total assets	<u>\$ 4,387,756</u>	<u>\$ 4,162,212</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current liabilities		
Accounts payable	\$ 20,114	\$ 7,917
Accrued expenses	58,317	25,949
Total current liabilities	<u>78,431</u>	<u>33,866</u>
Mortgage loan payable	<u>488,187</u>	<u>488,187</u>
Total liabilities	<u>566,618</u>	<u>522,053</u>
Net assets		
Unrestricted	3,570,034	3,459,964
Temporarily restricted	251,104	180,195
Total net assets	<u>3,821,138</u>	<u>3,640,159</u>
Total liabilities and net assets	<u>\$ 4,387,756</u>	<u>\$ 4,162,212</u>

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

HOPEWORKS 'N CAMDEN, INC.
STATEMENT OF ACTIVITIES
FOR THE THIRTEEN MONTHS ENDED JUNE 30, 2017

<u>REVENUE, GAINS AND SUPPORT</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Grants	\$ 518,225	\$ 99,420	\$ 617,645
Contributions	412,132	-	412,132
Special events	192,470	-	192,470
Program service revenue	495,975	-	495,975
Investment income	103,667	-	103,667
Gain on sale of investments	77,908	-	77,908
Unrealized gain on investments	71,089	6,739	77,828
	<u>1,871,466</u>	<u>106,159</u>	<u>1,977,625</u>
Net assets released from restrictions	<u>35,250</u>	<u>(35,250)</u>	<u>-</u>
Total revenue, gains and support	<u>1,906,716</u>	<u>70,909</u>	<u>1,977,625</u>
 <u>EXPENSES</u>			
Program services	<u>1,202,091</u>	<u>-</u>	<u>1,202,091</u>
Supporting services			
General and administrative	370,055	-	370,055
Fundraising	224,500	-	224,500
Total supporting services	<u>594,555</u>	<u>-</u>	<u>594,555</u>
Total expenses	<u>1,796,646</u>	<u>-</u>	<u>1,796,646</u>
Changes in net assets	110,070	70,909	180,979
Net assets, beginning of fiscal year	<u>3,459,964</u>	<u>180,195</u>	<u>3,640,159</u>
Net assets, end of fiscal year	<u>\$ 3,570,034</u>	<u>\$ 251,104</u>	<u>\$ 3,821,138</u>

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

HOPEWORKS 'N CAMDEN, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MAY 31, 2016

<u>REVENUE, GAINS AND SUPPORT</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Grants	\$ 347,725	\$ 20,000	\$ 367,725
Contributions	217,925	60,000	277,925
Special events	154,445	-	154,445
Program service revenue	347,131	-	347,131
Investment income	80,616	3,111	83,727
Gain on sale of investments	22,146	9,383	31,529
Unrealized (loss) on investments	<u>(98,880)</u>	<u>(15,636)</u>	<u>(114,516)</u>
	1,071,108	76,858	1,147,966
Net assets released from restrictions	<u>25,000</u>	<u>(25,000)</u>	<u>-</u>
Total revenue, gains and support	<u>1,096,108</u>	<u>51,858</u>	<u>1,147,966</u>
 <u>EXPENSES</u>			
Program services	<u>962,742</u>	<u>-</u>	<u>962,742</u>
Supporting services			
General and administrative	301,447	-	301,447
Fundraising	<u>193,618</u>	<u>-</u>	<u>193,618</u>
Total supporting services	<u>495,065</u>	<u>-</u>	<u>495,065</u>
Total expenses	<u>1,457,807</u>	<u>-</u>	<u>1,457,807</u>
Changes in net assets	(361,699)	51,858	(309,841)
Net assets, beginning of fiscal year	<u>3,821,663</u>	<u>128,337</u>	<u>3,950,000</u>
Net assets, end of fiscal year	<u>\$ 3,459,964</u>	<u>\$ 180,195</u>	<u>\$ 3,640,159</u>

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

HOPEWORKS 'N CAMDEN, INC.
STATEMENTS OF CASH FLOWS
FOR THE THIRTEEN MONTHS AND YEAR ENDED

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	<u>June 30, 2017</u>	<u>May 31, 2016</u>
Changes in net assets	\$ 180,979	\$ (309,841)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Allowance for bad debts	5,000	15,000
Depreciation	20,178	19,949
Unrealized losses/(gains) on investments, net	(77,828)	114,516
(Increase) decrease in assets:		
Grants receivable	(126,336)	(14,289)
Contributions receivable	(22,890)	14,747
Accounts receivable	30,668	(35,043)
Prepaid expenses	2,997	(10,213)
Increase (decrease) in liabilities:		
Accounts payable	12,197	6,306
Accrued expenses	32,368	(807)
Net cash provided by (used in) operating activities	<u>57,333</u>	<u>(199,675)</u>
 <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Invested scholarship fund, net	(2,739)	7,142
Sale of temporary investments	-	99,466
Purchase of temporary investments	(54,366)	-
Purchase of property and equipment	(12,245)	(2,379)
Net cash (used in) provided by investing activities	<u>(69,350)</u>	<u>104,229</u>
Net (decrease) in cash	(12,017)	(95,446)
Cash, beginning of fiscal year	<u>131,855</u>	<u>227,301</u>
Cash, end of fiscal year	<u>\$ 119,838</u>	<u>\$ 131,855</u>
 <u>SUPPLEMENTAL INFORMATION</u>		
Cash paid for interest	<u>\$ -</u>	<u>\$ 150</u>

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

HOPEWORKS 'N CAMDEN, INC.
NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2017 AND MAY 31, 2016

1. NATURE OF OPERATIONS

Hopeworks 'N Camden, Inc. ("Hopeworks") is a New Jersey, non-profit corporation established in April 1999. It is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Hopeworks is dedicated to fostering the cause of economic revitalization in the City of Camden, New Jersey, through the training and development of the at-risk youth of the city. The programs include website design and development, ongoing site maintenance, and job placement to internships in local companies.

In July 2016, the Hopeworks Board of Directors elected to change its year-end from May 31 to June 30.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting, in which revenue and gains are recognized when earned and expenses and losses are recognized when incurred. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Hopeworks and changes therein are classified and reported as follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations. Annual corporate and individual contributions are generally available for unrestricted use in the related year unless specifically restricted by the donor. Unconditional promises to give are recorded as revenue when promised.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of Hopeworks and/or the passage of time. Grants, contracts and other contributions of cash are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated asset. When a donor stipulation expires, that is, when a 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. However, if a restriction is fulfilled in the same time period in which the contribution is received, the contribution is reported as an unrestricted contribution.

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by Hopeworks. Generally, the donors of these assets permit Hopeworks to use all or part of the income earned on any related investment for general or specific purposes. For the thirteen month and twelve month periods ended June 30, 2017 and May 31, 2016, Hopeworks did not have any permanently restricted net assets.

HOPEWORKS 'N CAMDEN, INC.
NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2017 AND MAY 31, 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Accounts Receivable

Accounts receivables for website design and development are uncollateralized customer obligations due under normal trade terms requiring payment within 30 days from the invoice date. Accounts receivable are stated at the amount billed to the customer. The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of the amounts that will not be collected. Management individually reviews all the accounts receivable balances that exceed 90 days from invoice date and based on an assessment of current creditworthiness, estimates the portion, if any, of the balance that will not be collected. Interest income on overdue accounts is not recognized until amounts are collected. The allowance for doubtful accounts as of June 30, 2017 and May 31, 2016 was \$30,000 and \$25,000, respectively.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value, as determined by quoted market prices, with gains and losses included in the statement of activities and changes in net assets. Donated securities are recorded at the market value on the date of contribution.

Concentration of Credit Risk

Hopeworks principal financial instruments subject to credit risk are its cash and investments. At times, Hopeworks maintains balances in excess of the insured limits.

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

Because of the inherent uncertainty of valuation, estimated fair values of the alternative investments may differ significantly from the values that would have been used had a readily determinable market for the investments existed, and the difference could be material. Due to the long-term holding period and lack of marketability of private equity investments, the alternative investments should not be considered liquid investments that are readily convertible into cash.

Historically, Hopeworks has not incurred any significant credit related loss and believes it is not exposed to any significant risk on its concentrations.

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of the donation. When retired or otherwise disposed of, the carrying value of the assets and related depreciation are removed from the respective accounts, and the net difference, less any amount realized from disposition, is charged or credited to income.

HOPEWORKS 'N CAMDEN, INC.
NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2017 AND MAY 31, 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Property and Equipment (Cont'd)

Major additions and betterments in excess of \$1,000 are charged to the property and equipment accounts, while replacements, maintenance, and repairs, which do not improve or extend the life of the respective assets, are expensed currently.

Depreciation is provided using the straight-line method over the estimated useful lives of the assets, which range from three to ten years.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Contributed Services

A substantial number of unpaid volunteers have made significant contributions of their time to Hopeworks' programs. These contributed services are not reflected in the financial statements since the services do not require specialized skills, as defined by ASC 605.

Compensated Absences

Compensated absences for sick pay and personal time have not been accrued because they cannot be reasonably estimated. Hopeworks' policy is to recognize these costs when actually paid.

Tax Status

Hopeworks is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code; accordingly, no provision for taxes has been included in the financial statements.

Management has reviewed tax positions taken in filings with federal and state jurisdictions and believes those positions would be sustained should the filings be examined by the relevant taxing authority. These tax filings are subject to examination, generally for three years after they are filed.

Should settlement of an examination or other event result in a change in management's evaluation of a tax position taken or expected to be taken in filings that have not been closed by statute or examination, any interest and penalties related to the unrecognized tax benefit as a result of the uncertain tax position would be included in interest expense and administrative expenses, respectively.

HOPEWORKS 'N CAMDEN, INC.
NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2017 AND MAY 31, 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Allocation of Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Whenever possible, costs are directly assigned to the appropriate benefiting program activities and supporting services. If costs cannot be identified to a specific program activity or supporting service, these costs are allocated among the various benefiting activities and services, utilizing an appropriate basis. Accordingly, certain costs have been allocated among program and supporting services benefited.

3. INVESTED SCHOLARSHIP FUND

An investment fund has been established to provide scholarships to selected youth enrolled in the Hopeworks programs. Any proceeds earned are retained in the account and restricted for scholarship awards.

4. INVESTMENTS

The valuation techniques required by FASB ASC 820 are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect management's market assumptions. These two types of inputs create the three levels of fair value hierarchy described below:

Level 1 - quoted prices in active markets for identical securities

Level 2 - other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3 - significant unobservable inputs (including Hopeworks' own assumptions in determining the fair value of investments).

The financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to fair value measurement.

The inputs methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

HOPEWORKS 'N CAMDEN, INC.
NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2017 AND MAY 31, 2016

4. INVESTMENTS (CONT'D)

The summary of inputs used to value Hopeworks' investments is as follows at June 30, 2017:

	<u>Total</u>	<u>Level 1 Quoted Prices</u>	<u>Level 2 Other Significant Observable Inputs</u>	<u>Level 3 Significant Unobservable Inputs</u>
Managed investment accounts	<u>\$ 3,361,128</u>	<u>\$ 3,361,128</u>	<u>\$ -</u>	<u>\$ -</u>

Investment income is comprised of the following:

	<u>Thirteen Months and Twelve Months Ended June 30, 2017 and May 31, 2016</u>	
	<u>2017</u>	<u>2016</u>
Dividends and interest	\$ 103,667	\$ 83,727
Unrealized (losses)/gains	77,828	(114,516)
Realized gains/(losses)	<u>77,908</u>	<u>31,529</u>
Total	<u>\$ 259,403</u>	<u>\$ 740</u>

5. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of:

	<u>June 30, 2017</u>	<u>May 31, 2016</u>
Computer equipment	\$ 165,309	\$ 153,064
Software	51,121	51,121
Other equipment	43,349	43,349
Furniture	2,541	2,541
Building and improvements	<u>620,203</u>	<u>620,203</u>
	882,523	870,278
Less: accumulated depreciation	<u>(346,557)</u>	<u>(326,379)</u>
Property and equipment, net	<u>\$ 535,966</u>	<u>\$ 543,899</u>

Depreciation expense for the thirteen months and twelve months ended June 30, 2017 and May 31, 2016 was \$20,178 and \$19,949, respectively.

HOPEWORKS 'N CAMDEN, INC.
NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2017 AND MAY 31, 2016

6. GRANTS RECEIVABLE

Grants receivable are as follows at:

	<u>June 30, 2017</u>	<u>May 31, 2016</u>
Receivable in less than one year	\$ 226,912	\$ 90,076
Receivable in one to five years	<u>36,500</u>	<u>47,000</u>
Total grants receivable	263,412	137,076
Less: discounts to present value	<u>-</u>	<u>-</u>
Net grants receivable	<u>\$ 263,412</u>	<u>\$ 137,076</u>

A present value adjustment was considered immaterial and, therefore, not recorded for the long-term portion of the grants receivable.

7. MORTGAGE LOAN PAYABLE

The New Jersey Housing and Mortgage Finance Agency has advanced interest-free funds for the construction of a residential facility for Hopeworks youth. Construction advances were \$488,187 as of June 30, 2017 and May 31, 2016. If Hopeworks maintains the facility for its intended use, the mortgage loan will be forgiven in 2042.

8. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets represent amounts being held by Hopeworks, which are subject to donor restrictions. These amounts are generally available for a particular purpose, as dictated by the donor's instruments. Net assets are released from donor restrictions by accomplishing the stipulated use restrictions.

Temporarily restricted net assets are designated to be used as follows as of:

	<u>June 30, 2017</u>	<u>May 31, 2016</u>
Future year expenses	\$ 99,420	\$ 20,000
Time restrictions	47,750	59,000
Scholarships	<u>103,934</u>	<u>101,195</u>
Total	<u>\$ 251,104</u>	<u>\$ 180,195</u>

HOPEWORKS 'N CAMDEN, INC.
NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2017 AND MAY 31, 2016

9. COMMITMENTS

Hopeworks leases office space on a month-to-month basis in the amount of \$1,600 per month with an increase in June 2017 to \$1,750 per month. Rent expense, including utilities, totaled \$27,527 and \$24,961 for the thirteen months and year ended June 30, 2017 and May 31, 2016, respectively.

In February 2016, Hopeworks entered into an agreement to lease additional office space on a month-to-month basis in the amount of \$900 per month. Rent expense totaled \$6,300 and \$2,700 for the thirteen months and year ended June 30, 2017 and May 31, 2016, respectively. This lease was terminated in January 2017.

10. RELATED PARTY

A Hopeworks board member is the CEO of the company used for marketing services. The amount paid during the thirteen months and year ended June 30, 2017 and May 31, 2016 totaled \$27,135 and \$21,055, respectively.

11. SUBSEQUENT EVENTS

In preparing these financial statements, management of Hopeworks has evaluated events and transactions for potential recognition or disclosure through October 5, 2017, the date the financial statements were available to be issued. Hopeworks had no significant or material subsequent events through October 5, 2017.

HOPEWORKS 'N CAMDEN, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE THIRTEEN MONTHS ENDED JUNE 30, 2017

	Program Services	Supporting Services		Total
		General and Administrative	Fundraising	
Salaries, payroll taxes and employee benefits	\$ 927,361	\$ 264,961	\$ 132,479	\$ 1,324,801
Special activities	-	-	88,771	88,771
Occupancy	48,631	14,526	-	63,157
Insurance	14,072	2,639	879	17,590
Equipment expense	2,710	2,502	-	5,212
Scholarships	7,270	-	-	7,270
Training	34,942	3,882	-	38,824
Other project costs	44,839	-	-	44,839
Depreciation	20,178	-	-	20,178
Office expenses	12,647	11,329	2,371	26,347
Travel and entertainment	7,931	1,625	-	9,556
Professional services	15,690	62,759	-	78,449
Marketing and promotion	31,696	-	-	31,696
Bad debt expense	34,124	-	-	34,124
Other expenses	-	5,832	-	5,832
	<u>\$ 1,202,091</u>	<u>\$ 370,055</u>	<u>\$ 224,500</u>	<u>\$ 1,796,646</u>

The accompanying notes are an integral part of this schedule.

HOPEWORKS 'N CAMDEN, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MAY 31, 2016

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	
Salaries, payroll taxes and employee benefits	\$ 733,735	\$ 209,639	\$ 104,819	\$ 1,048,193
Special activities	-	-	85,838	85,838
Occupancy	42,323	12,642	-	54,965
Insurance	15,140	2,839	946	18,925
Equipment expense	3,269	2,367	-	5,636
Scholarships	4,000	-	-	4,000
Training	34,558	3,840	-	38,398
Other project costs	29,125	-	-	29,125
Depreciation	19,949	-	-	19,949
Office expenses	10,997	9,710	2,015	22,722
Travel and entertainment	3,986	817	-	4,803
Professional services	13,643	54,570	-	68,213
Marketing and promotion	34,542	-	-	34,542
Bad debt expense	17,475	-	-	17,475
Other expenses	-	5,023	-	5,023
	<u>\$ 962,742</u>	<u>\$ 301,447</u>	<u>\$ 193,618</u>	<u>\$ 1,457,807</u>

The accompanying notes are an integral part of this schedule.