

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

**BIG BROTHERS BIG SISTERS OF
CENTRAL MASS/METROWEST, INC. AND AFFILIATE**

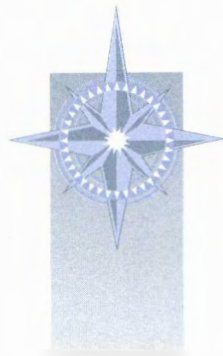
Worcester, Massachusetts

JUNE 30, 2018

Boisselle, Morton & Wolkowicz, LLP
Certified Public Accountants

Big Brothers Big Sisters of Central Mass/Metrowest, Inc. and Affiliate
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Independent Auditors' Report

To the Officers and Directors

Big Brothers Big Sisters of Central Mass/Metrowest, Inc. and Affiliate
Worcester, Massachusetts

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Big Brothers Big Sisters of Central Mass/Metrowest, Inc. and affiliate (the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2018, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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.

Officers and Directors

Big Brothers Big Sisters of Central Mass/Metrowest, Inc. and Affiliate

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Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Big Brothers Big Sisters of Central Mass/Metrowest, Inc. and affiliate as of June 30, 2018, 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.

Boisselle, Morton & Wolkowicz, LLP

Hadley, Massachusetts

January 16, 2019

BIG BROTHERS BIG SISTERS OF CENTRAL MASS/METROWEST, INC. AND AFFILIATE

Consolidated Statement of Financial Position

June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<u>Assets</u>		
Current assets		
Cash and cash equivalents	\$ 244,926	\$ 125,367
Contributions and grants receivable	32,157	48,882
Pledges receivable, current portion	130,075	133,000
Prepaid expenses	26,872	30,882
Total current assets	<u>434,030</u>	<u>338,131</u>
Property and equipment, net	<u>208,681</u>	<u>226,272</u>
Other assets		
Investments	178,471	324,054
Pledges receivable, net of current portion	194,160	310,939
Total other assets	<u>372,631</u>	<u>634,993</u>
Total assets	<u>\$ 1,015,342</u>	<u>\$ 1,199,396</u>
<u>Liabilities and Net Assets</u>		
Current liabilities		
Accounts payable	\$ 9,150	\$ 21,809
Accrued expenses	35,264	50,325
Deferred income	7,900	6,500
Current portion of long-term debt	8,960	8,545
Total current liabilities	<u>61,274</u>	<u>87,179</u>
Long-term debt, net of current portion	<u>40,874</u>	<u>49,834</u>
Net assets		
Unrestricted	606,594	670,900
Temporarily restricted	306,600	391,483
Total net assets	<u>913,194</u>	<u>1,062,383</u>
Total liabilities and net assets	<u>\$ 1,015,342</u>	<u>\$ 1,199,396</u>

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

BIG BROTHERS BIG SISTERS OF CENTRAL MASS/METROWEST, INC. AND AFFILIATE

Consolidated Statement of Activities

Year Ended June 30, 2018

(with comparative totals for the year ended June 30, 2017)

	2018			2017
	Unrestricted	Temporarily Restricted	Total	Total
Revenues, gains, and other support				
Contributions	\$ 655,306	\$ 35,219	\$ 690,525	\$ 932,754
Fundraising events	333,540		333,540	232,263
Donated materials and services	38,940		38,940	31,003
Investment income, net	14,633	321	14,954	843
Net unrealized gain on investments		2,577	2,577	31,722
Net assets released from restriction	123,000	(123,000)		
Total revenues, gains, and other support	<u>1,165,419</u>	<u>(84,883)</u>	<u>1,080,536</u>	<u>1,228,585</u>
Expenses				
Program services	949,843		949,843	766,617
Administration	217,939		217,939	200,761
Fundraising	178,281		178,281	188,520
Total expenses	<u>1,346,063</u>		<u>1,346,063</u>	<u>1,155,898</u>
Change in net assets	(180,644)	(84,883)	(265,527)	72,687
Net assets - beginning of year	670,900	391,483	1,062,383	989,696
Net assets acquired in acquisition (Note 1)	<u>116,338</u>		<u>116,338</u>	
Net assets - end of year	<u>\$ 606,594</u>	<u>\$ 306,600</u>	<u>\$ 913,194</u>	<u>\$ 1,062,383</u>

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

BIG BROTHERS BIG SISTERS OF CENTRAL MASS/METROWEST, INC. AND AFFILIATE

Consolidated Statement of Functional Expenses

Year Ended June 30, 2018

(with comparative totals for the year ended June 30, 2017)

	2018			2017	
	Program Services	Administration	Fundraising	Total	Total
Employee-related costs					
Salaries	\$ 622,366	\$ 131,251	\$ 91,556	\$ 845,173	\$ 693,466
Payroll taxes	51,420	10,844	7,564	69,828	63,727
Fringe benefits	24,789	5,228	3,647	33,664	37,538
Total employee-related costs	<u>698,575</u>	<u>147,323</u>	<u>102,767</u>	<u>948,665</u>	<u>\$ 794,731</u>
Occupancy	43,174	9,105	6,351	58,630	68,508
Fundraising expenses			42,920	42,920	7,024
Donated materials and services	28,675	6,047	4,218	38,940	31,003
Food	27,967	5,898	4,114	37,979	36,562
Scholarships	36,395			36,395	
Professional fees		28,210	1,507	29,717	77,951
Office supplies and expense	16,640	5,855	4,931	27,426	22,172
Program expenses	25,265			25,265	4,060
Insurance	15,537	3,277	2,286	21,100	18,797
Depreciation	12,953	2,732	1,906	17,591	19,932
Dues and affiliation fees	16,967			16,967	10,252
Printing and postage	11,287	2,381	1,661	15,329	19,497
Conferences, conventions and meetings	8,795	1,855	1,294	11,944	15,100
Travel and parking	7,613	1,606	1,120	10,339	22,912
Advertising		1,061	3,206	4,267	4,413
Interest		2,589		2,589	2,984
Total expenses	<u>\$ 949,843</u>	<u>\$ 217,939</u>	<u>\$ 178,281</u>	<u>\$ 1,346,063</u>	<u>\$ 1,155,898</u>

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

BIG BROTHERS BIG SISTERS OF CENTRAL MASS/METROWEST, INC. AND AFFILIATE

Consolidated Statement of Cash Flows

Year Ended June 30, 2018

(with comparative totals for the year ended June 30, 2017)

Cash flows from operating activities		
Change in net assets	\$ (265,527)	\$ 72,687
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	17,591	19,932
Realized (gain) loss on sale of investments	14,617	6,093
Unrealized market gain	(2,577)	(31,722)
Other changes in assets and liabilities		
Contributions and grants receivable	16,725	106,598
Pledges receivable	119,704	(359,810)
Prepaid expenses	4,010	(11,046)
Accounts payable	(12,659)	16,123
Accrued expenses	(15,061)	(28,291)
Deferred income	1,400	6,500
Net cash used by operating activities	<u>(121,777)</u>	<u>(202,936)</u>
 Cash flows from investing activities		
Purchase of investments		(4,178)
Cash received in combination with related entity	116,338	
Purchase of equipment		(2,449)
Sale of investments	133,543	22,992
Net cash provided by investing activities	<u>249,881</u>	<u>16,365</u>
 Cash flows from financing activities		
Payments on long-term debt	(8,545)	(8,149)
Net cash used by financing activities	<u>(8,545)</u>	<u>(8,149)</u>
 Net increase (decrease) in cash and cash equivalents	119,559	(194,720)
 Cash and cash equivalents - beginning of year	<u>125,367</u>	<u>320,087</u>
 Cash and cash equivalents - end of year	<u><u>\$ 244,926</u></u>	<u><u>\$ 125,367</u></u>

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

**BIG BROTHERS BIG SISTERS OF CENTRAL MASS/METROWEST, INC. AND
AFFILIATE**

Notes to Consolidated Financial Statements
June 30, 2018

1. Organization Activity and Summary of Significant Accounting Policies

a. Nature of Business: Big Brothers Big Sisters of Central Mass/Metrowest, Inc. is an affiliate of Big Brothers Big Sisters of America. Under the big brothers/big sisters program, the Organization coordinates the placement of volunteers (“big brothers” and “big sisters”) with children and young adults. The Organization carefully evaluates and trains prospective big brothers and big sisters, matches volunteers with little brothers and sisters based on the needs of the child and common interests, and provides ongoing professional advice and support to enhance the one-on-one relationship. Both children and adults come from all walks of life and demonstrate the diversity of the community.

In 2004, Big Brothers Big Sisters of Worcester County, Inc. merged its operations with those of Big Brothers Big Sisters of South Middlesex, Inc., and changed its name to Big Brothers Big Sisters of Central Mass/Metrowest, Inc. (“BBBS-CM”). Big Brothers Big Sisters of Central Mass/Metrowest, Inc. continues to serve the communities in the consolidated geographic area from offices in Worcester and Framingham.

Big Brothers Big Sisters of Central Mass/Metrowest, Inc. acquired John Andrew Mazie Memorial Foundation, Inc. (“Mazie Memorial Foundation”), a Massachusetts nonprofit corporation, with a mission to sponsor one on one mentoring programs for at risk Framingham and Waltham High School students, on July 1, 2017. The comparative totals for the year ended June 30, 2017 do not include any activity from Mazie Memorial Foundation.

b. Principles of Consolidation: The financial statements of Big Brothers Big Sisters of Central Mass/Metrowest, Inc. and John Andrew Mazie Memorial Foundation, Inc. (collectively the “Organization”) have been consolidated because Big Brothers Big Sisters of Central Mass/Metrowest, Inc. is the sole member of John Andrew Mazie Memorial Foundation, Inc. All intercompany transactions have been eliminated in the consolidation.

c. Basis of Accounting: The financial statements of the Organization have been prepared on the accrual basis of accounting, in accordance with U.S. generally accepted accounting principles.

d. Financial Statement Presentation: The Organization reports 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. The restricted classes are created only by donor-imposed restrictions. All other net assets are legally unrestricted and are reported as part of the unrestricted class. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from 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.

**BIG BROTHERS BIG SISTERS OF CENTRAL MASS/METROWEST, INC. AND
AFFILIATE**

Notes to Consolidated Financial Statements (Continued)

June 30, 2018

1. Organization Activity and Summary of Significant Accounting Policies (Continued)

d. Financial Statement Presentation (Continued): Contributions of services are recognized as revenue if they (a) create or enhance non-financial assets or (b) if they require specialized skills which are provided by individuals possessing those skills and if such services would typically need to be purchased if not provided by donations. Contributions of materials are recognized as revenue at their fair market value.

e. Tax Status: Big Brothers Big Sisters of Central Mass/Metrowest, Inc. is a not-for-profit corporation organized under Massachusetts General Laws Chapter 180. BBBS-CM is exempt from federal and state corporate income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, BBBS-CM qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(1).

John Andrew Mazie Memorial Foundation, Inc. is a not-for-profit corporation organized under Massachusetts General Laws Chapter 180 and operates as an independent corporation, filing separate information returns with the Internal Revenue Service and Massachusetts Division of Public Charities. Mazie Memorial Foundation is exempt from federal and state corporate income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, Mazie Memorial Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(1).

f. Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

f. Cash and Cash Equivalents: For purposes of the statement of cash flows, cash equivalents include all highly liquid accounts with original maturity dates of three months or less.

g. Contributions and Grants Receivable: Contributions and grants receivable are stated at the amount management expects to collect from outstanding balances. Management considers the contributions and grants receivable fully collectible and did not have an allowance for uncollectible amounts as of June 30, 2018.

h. Pledges Receivable: Unconditional promises to give are recorded as pledges receivable in the period received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

i. Property and Equipment: Property and equipment are recorded at cost, or if donated, at fair value. Depreciation is provided over the estimated useful lives of the assets using the straight-line basis.

**BIG BROTHERS BIG SISTERS OF CENTRAL MASS/METROWEST, INC. AND
AFFILIATE**

Notes to Consolidated Financial Statements (Continued)

June 30, 2018

1. Organization Activity and Summary of Significant Accounting Policies (Continued)

j. Investments: Investments are stated at market value on the statement of financial position. Short-term investments consisted of certificates of deposit with terms less than one year. Long-term investments consisted of certificates of deposit with one year or longer terms, mutual funds and publicly traded corporate stock.

k. Fair Value Measurements: Accounting standards have established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Inputs to the valuation methodology for the three levels of the fair value hierarchy are described below:

Level 1: Unadjusted quoted prices for identical assets or liabilities in active markets that the Corporation has the ability to access.

Level 2: Quoted prices for similar assets or liabilities in active markets; Quoted prices for identical or similar assets or liabilities in inactive markets; Inputs other than quoted prices that are observable for the asset or liability; Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Unobservable and significant to the fair value measurement.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability. The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

l. Revenue Recognition: Support from contributions and grants are recognized when pledged.

m. Donated Materials and Services: Donated materials and services are recorded at their estimated values at the date of receipt. However, the services provided by volunteers ("big brothers" and "big sisters") are not recorded since it is inherent in the program that such services are provided by volunteers.

n. Expense Allocation: The costs of providing the program services and supporting services of the Organization have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited based primarily upon employee time.

**BIG BROTHERS BIG SISTERS OF CENTRAL MASS/METROWEST, INC. AND
AFFILIATE**

Notes to Consolidated Financial Statements (Continued)

June 30, 2018

1. Organization Activity and Summary of Significant Accounting Policies (Continued)

o. Comparative Information: The financial statements include certain prior year summarized comparative information of BBBS-CM only, in total but not by net asset class. The comparative totals for the year ended June 30, 2017 do not include any activity from Mazie Memorial Foundation. Such information from BBBS-CM 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 BBBS-CM's financial statements for the year ended June 30, 2017, from which the summarized information was derived.

p. Reclassifications: Certain reclassifications have been made to the June 30, 2017, summarized comparative information to be in conformity with the current year presentation. These reclassifications had no effect on the previously reported change in net assets or ending net assets of BBBS-CM.

2. Pledges Receivable

Unconditional promises to give are included in the financial statements as pledges receivable and revenue of the appropriate net asset category. Pledges are recorded at face value less a discount for the present value of future cash flows. The discount rate used to calculate the present value was 2.0%. Pledges receivable consisted of the following at June 30:

	<u>2018</u>	<u>2017</u>
Due within one year	\$130,075	\$133,000
Due in one to five years	<u>200,000</u>	<u>323,000</u>
	330,075	456,000
Less discount to present value	<u>5,840</u>	<u>12,061</u>
Pledges receivable, net	<u>\$324,235</u>	<u>\$443,939</u>

Management has determined that all pledges are collectible and had not recorded an allowance for uncollectible accounts.

**BIG BROTHERS BIG SISTERS OF CENTRAL MASS/METROWEST, INC. AND
AFFILIATE**

Notes to Consolidated Financial Statements (Continued)

June 30, 2018

3. Property and Equipment

Property and equipment consisted of the following at June 30:

	<u>2018</u>	<u>2017</u>
Office condominiums	\$243,607	\$243,607
Improvements	127,898	127,898
Office equipment	<u>77,680</u>	<u>77,680</u>
	449,185	449,185
Less accumulated depreciation	<u>240,504</u>	<u>222,913</u>
	<u>\$208,681</u>	<u>\$226,272</u>

Depreciation expense was \$17,591 and \$19,932 for the year ended June 30, 2018 and 2017, respectively.

4. Investments

Investments of \$178,471 and \$324,054 at June 30, 2018 and 2017, respectively, consisted of mutual funds at Level 1, market value.

5. Deferred Income

Deferred income of \$7,900 and \$6,500 as of June 30, 2018 and 2017, respectively, was for monies received toward the golf tournament that was not held until after year end.

6. Line of Credit

The Organization has a \$100,000 line of credit with a local bank. Interest on the outstanding balance, if any, will be payable monthly at 1% over the bank's prime rate index (5.75% at June 30, 2018). The line is secured by all business assets of the Organization. There were no borrowings outstanding at June 30, 2018 or 2017, respectively.

**BIG BROTHERS BIG SISTERS OF CENTRAL MASS/METROWEST, INC. AND
AFFILIATE**

Notes to Consolidated Financial Statements (Continued)

June 30, 2018

7. Long-Term Debt

Long-term debt consisted of the following at June 30:

	<u>2018</u>	<u>2017</u>
Note payable to a bank secured by the assets of the organization, payable in monthly installments of \$928 including interest at 4.75%, maturing July 2023.	\$49,834	\$58,379
Less current portion	<u>8,960</u>	<u>8,545</u>
Note payable, net current portion	<u>\$40,874</u>	<u>\$49,834</u>

The future minimum payments are as follows for the years ending June 30:

2019	\$ 8,960
2020	9,395
2021	9,851
2022	10,329
2023	<u>11,299</u>
	<u>\$49,834</u>

8. Temporarily Restricted Net Assets

The Organization had the following changes in temporarily restricted net assets:

Restricted purpose	<u>Restricted at 6/30/17</u>	<u>Increase</u>	<u>Decrease</u>	<u>Restricted at 6/30/18</u>
United Way 2016-2017	\$ 21,938		\$ 21,938	
United Way 2017-2018		\$ 88,628	67,471	\$ 22,157
Pledges receivable (time-restricted)	323,000		123,000	200,000
Branding consultation		25,000		25,000
STEM mentoring program		10,000		10,000
Office equipment/capital needs	11,735			11,735
Cousy Fund	<u>34,810</u>	<u>2,898</u>		<u>37,708</u>
 Total	 <u>\$391,483</u>	 <u>\$126,526</u>	 <u>\$212,409</u>	 <u>\$306,600</u>

**BIG BROTHERS BIG SISTERS OF CENTRAL MASS/METROWEST, INC. AND
AFFILIATE
June 30, 2018**

9. Pension

The Organization has a defined contribution pension plan that covers all eligible full-time employees. Contributions to the plan are at the discretion of the Board of Directors. There were no pension contributions during the years ended June 30, 2018 or 2017.

10. Donated Materials and Services

The Organization received donated materials and services totaling \$38,940 and \$31,003 during the years ended June 30, 2018 and 2017, respectively.

In addition, a substantial number of volunteers have donated time to work in the program service, administration and fundraising areas. This time does not meet the criteria for recording as described in Note 1.

11. Subsequent Events

Management has evaluated subsequent events through January 16, 2019, the date on which the financial statements were available to be issued, and concluded that no additional disclosures were necessary, except for the following:

BIG BROTHERS BIG SISTERS OF CENTRAL MASS/METROWEST, INC. AND AFFILIATE

Consolidating Statement of Financial Position

June 30, 2018

	<u>Big Brothers Big Sisters</u>	<u>J.A. Mazie Memorial Foundation</u>	<u>Eliminations</u>	<u>Consolidated</u>
	<u>Assets</u>			
Current assets				
Cash and cash equivalents	\$ 172,331	\$ 72,595		\$ 244,926
Contributions and grants receivable	32,157			32,157
Pledges receivable, current portion	130,075			130,075
Prepaid expenses	26,872			26,872
Total current assets	<u>361,435</u>	<u>72,595</u>		<u>434,030</u>
Property and equipment, net	<u>208,681</u>			<u>208,681</u>
Other assets				
Investments	178,471			178,471
Investment in related entity	116,338		\$ (116,338)	-
Pledges receivable, net of current portion	194,160			194,160
Total other assets	<u>488,969</u>		<u>(116,338)</u>	<u>372,631</u>
Total assets	<u>\$ 1,059,085</u>	<u>\$ 72,595</u>	<u>\$ (116,338)</u>	<u>\$ 1,015,342</u>
	<u>Liabilities and Net Assets</u>			
Current liabilities				
Accounts payable	\$ 9,150			\$ 9,150
Accrued expenses	35,264			35,264
Deferred income	7,900			7,900
Current portion of long-term debt	8,960			8,960
Total current liabilities	<u>61,274</u>			<u>61,274</u>
Long-term debt, net of current portion	<u>40,874</u>			<u>40,874</u>
Net assets				
Unrestricted	650,337	\$ 72,595	\$ (116,338)	606,594
Temporarily restricted	306,600			306,600
Total net assets	<u>956,937</u>	<u>72,595</u>	<u>(116,338)</u>	<u>913,194</u>
Total liabilities and net assets	<u>\$ 1,059,085</u>	<u>\$ 72,595</u>	<u>\$ (116,338)</u>	<u>\$ 1,015,342</u>

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

BIG BROTHERS BIG SISTERS OF CENTRAL MASS/METROWEST, INC. AND AFFILIATE

Consolidating Statement of Activities

Year Ended June 30, 2018

	Big Brothers Big Sisters			J.A. Mazie Memorial Foundation		
	Unrestricted	Temporarily Restricted	Total	Total	Eliminations	Consolidated
Revenues, gains, and other support						
Contributions	\$ 501,737	\$ 35,219	\$ 536,956	\$ 153,569		\$ 690,525
Fundraising events	333,540		333,540			333,540
Donated materials and services	38,940		38,940			38,940
Investment income, net	11,790	2,898	14,688	266		14,954
Net unrealized gain on investments	2,577		2,577			2,577
Net assets released from restriction	<u>123,000</u>	<u>(123,000)</u>				
Total revenues, gains, and other support	<u>1,011,584</u>	<u>(84,883)</u>	<u>926,701</u>	<u>153,835</u>		<u>1,080,536</u>
Expenses						
Program services	756,100		756,100	193,743		949,843
Administration	217,308		217,308	631		217,939
Fundraising	<u>175,076</u>		<u>175,076</u>	<u>3,205</u>		<u>178,281</u>
Total expenses	<u>1,148,484</u>		<u>1,148,484</u>	<u>197,579</u>		<u>1,346,063</u>
Change in net assets	(136,900)	(84,883)	(221,783)	(43,744)		(265,527)
Net assets - beginning of year	670,900	391,483	1,062,383	116,338		1,178,721
Net assets acquired in acquisition (Note 1)	<u>116,338</u>		<u>116,338</u>		\$ <u>(116,338)</u>	<u>-</u>
Net assets - end of year	<u>\$ 650,338</u>	<u>\$ 306,600</u>	<u>\$ 956,938</u>	<u>\$ 72,594</u>	<u>\$ (116,338)</u>	<u>\$ 913,194</u>

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